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A SPECIAL REPORT FASHION PAGE

International Herald Tribune

TODAY: MONEY Quarterly Fund Review Page 20

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10 Years On, Lessons Of a 'One-Day Sale'

Wall Street Sees Only Upside of '87 Plunge

By Floyd Norris
New York Times Service

NEW YORK — As trading moved toward a close on the worst day in stock market history, a crowd of young investment bankers gathered around the fringes of the trading floor at one of Wall Street's premier firms.

They did not work on the trading floor and arguably had no business being on it. But there they stood, in stunned silence, watching the electronic ticker tape march across the wall.

The bankers were watching what was obviously an epochal event, wondering if it meant the end of their careers and of the comfortable, even extravagant, way of life that had made Wall Street an oasis of wealth.

The chief stock trader, who had spent the day desperately trying to preserve the firm's capital while witnessing selling on a scale neither he nor anyone else had ever seen, looked up a little before 4 P.M. and saw the assembled bankers. "I'm sure," he said, a bit testily, "that you have other things to do."

They didn't, of course. But they rapidly dispersed.

When the tape finally caught up with all the trading, the Dow Jones industrial average ended that day — Oct. 19, 1987 — down 508 points, or 23 percent, at 1,738.74. Even in the 1929 stock-market crash, there had never been a single day when prices had fallen so far.

A decade later, the 1987 plunge seems increasingly like a footnote in the great bull market that began in 1982 and continues today. For many, perhaps most, investors, the great lesson was not any of those most commonly offered at the time.

Instead, the lesson came in the market's revival, which showed that declines were a buying opportunity.

"The No. 1 lesson was that you should buy when Wall Street has a one-day sale," said David Shulman, the chief equity strategist of Salomon Brothers. "That lesson may be overlearned by now."

It certainly has been widely learned. Barton Biggs, Morgan Stanley's chief strategist for global equities, tells of trying to find a plumber in Ketchum, Idaho, where he has a home, over Labor Day weekend this year. Most were on vacation themselves. The one he finally found knew quite well who Mr.

Can the market collapse of October 1987 happen again? Page 15.

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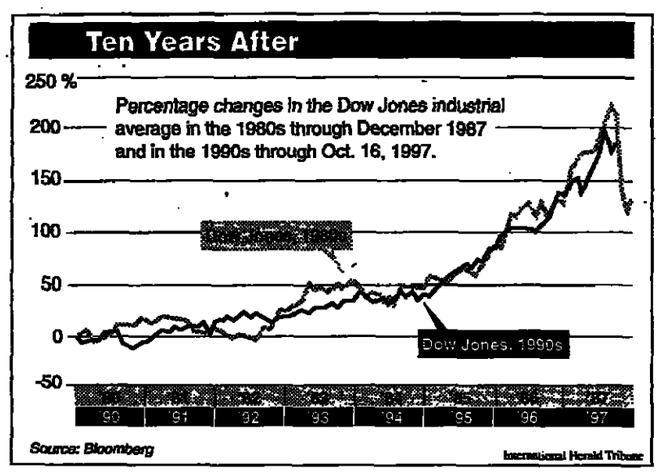

The Dollar		
New York	Friday @ 4 P.M.	previous close
DM	1.7725	1.7465
Pound	1.618	1.6177
Yen	120.70	119.47
FF	5.938	5.8556

The Dow		
	Friday close	previous close
-91.85	7847.03	7938.88

S&P 500		
change	Friday @ 4 P.M.	previous close
-11.08	944.17	955.25

U.S.-Japan Port Feud Is Near a Settlement

'Breakthrough' Will Avert Risk Of a Trade War Over Shipping

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. and Japanese negotiators reported Friday that they were close to an agreement to resolve a trade dispute that has led the United States to threaten to bar its ports to Japanese cargo ships.

"We have achieved a breakthrough which we hope will lead to an agreement," said Stuart Eizenstat, undersecretary of state for economic affairs.

The Japanese ambassador, Kunihiko Saito, said, "I think we have succeeded in resolving most of our outstanding problems. There are still a few details to be worked out."

Both sides urged the Federal Maritime Commission to lift its ban, which had been scheduled to take effect at midnight.

Officials at the Maritime Commission had no immediate comment, but it was considered highly likely that they would go along with the deal reached by top negotiators from the Clinton administration.

The announcement came after a morning of high-level talks between officials from both countries eager to avert a disruption of billions of dollars in trade between the world's two largest economies.

Mr. Eizenstat said he believed the tentative deal could lead to "meaningful reform" in Japanese port practices, which U.S. and other foreign shippers have long complained discriminate against them.

Officials at the commission said a meeting was under way to determine what should be done.

However, they said that the letters directing the Coast Guard to bar Japanese cargo ships had not yet been sent.

Mr. Eizenstat explained that the commission was independent, but added, "We have expressed our hope that until these agreements are concluded no order will be issued."

He added that the United States hoped to achieve a final agreement with the Japanese "within hours."

The threatened trade war involved a long-simmering dispute over a U.S. demand that Japan ease its port operations to allow U.S. shippers the same rights on cargo handling on Japanese docks as Japanese shippers enjoy at American ports.

A ban on Japanese ships entering U.S. harbors would have affected billions of dollars worth of products because Japanese ships also transport U.S. goods on their return voyages.

The three shipping lines involved in the dispute — Mitsui O.S.K. Lines, Ltd., Kawasaki Kisen Kaisha Ltd., and Nippon Yusen K.K. — typically carry containers of boxes that can be loaded onto railroad cars.

The most immediate impact if the ban had taken effect would have been on U.S. retail stores trying to stock their shelves for the coming holiday season.

Japanese televisions, radios and other electronic goods could become harder to find if Japanese ships were banned, trade analysts said.

"It could take a lot of joy out of the Christmas holidays," said Jack Kyser, chief economist for the Economic Development Corp. of Los Angeles County.

Koji Sasahara/The Associated Press

Noboru Sakata, chairman of the Japanese Shipowners Association, leaving a Tokyo meeting on Friday.

The commission, a small independent regulatory body that oversees U.S. ports, voted to deny entry to the three Japanese shipping lines after they failed to pay an estimated $4 million in fines that came due at midnight Wednesday.

Those fines — amounting to $100,000 for each ship entering a U.S. port — were imposed starting in September after the United States said the Japanese government failed to live up to commitments to liberalize the port practices.

"This is obviously a serious concern to the United States," said the National Security Council director, Samuel Berger, who was traveling with President Bill Clinton in Argentina.

"The question of equitable access to shipping facilities in Japan is a very important matter to us."

Another White House spokesman, P.J. Crowley, said that the Japanese carriers "should pay their overdue fines immediately," but added that the administration was more interested in resolving the dispute than imposing sanctions.

The Japanese Shipowners Association called the U.S. move "one-sided and unfair."

"We feel it will cause a large blot on friendly relations between Japan and the United States," the association said.

For months, the United States warned that the battle would escalate if Japan refused to loosen its regulations.

Foreign shipping companies long have complained that Japan requires all shippers to receive approval for even the most minor operational changes in handling cargo at Japanese ports.

News of the order shocked members of the U.S. shipping industry.

"That's the sort of thing you do when you go to war with a country," said Jay

See SHIPS, Page 4

Papon Trial Pushes France to Open Algeria Files

By Roger Cohen
New York Times Service

PARIS — The French government announced Friday that it would open its secret archives relating to the killing of dozens of Algerians in Paris on Oct. 17, 1961, after Maurice Papon, a senior functionary under both the Vichy government of World War II and the postwar Republic, denied that the police he then commanded were responsible.

Mr. Papon is on trial in Bordeaux for crimes against humanity, accused of organizing the deportation from the city of 1,690 Jews, including 223 children, to Nazi death camps from 1942 to 1944.

The slaying of the Algerians during a night of savage repression in Paris has nothing to do with those charges, but has become the theme of a kind of trial within the trial because Mr. Papon was then the police chief in the French capital.

Through this extraordinary coincidence the two most painful events in recent French history — the collaborationist Vichy government and the war in Algeria — have been woven together.

France is being asked to lift the veils that have shrouded memory of the deportation of Jews under Vichy and the death of more than a million people in the eight-year war that led to Algeria's independence in 1962.

This process, which has plunged the country into a period of collective retrospection, has been greeted with widespread relief, but also strong resistance. Testifying at Mr. Papon's trial Friday, Pierre Messmer, a former Gaullist prime minister, protested vehemently at President Jacques Chirac's identification of the French state with the crimes of Vichy.

"An illegitimate government does not represent France," he said, speaking of the Vichy regime set up after the German defeat in 1940. "It cannot engage France. It engages only its own responsibility and those of the functionaries and soldiers who have decided to obey it."

That view — officially upheld for a half-century after the war until Mr. Chirac broke with it in 1995 — has now been rejected, and France seems committed to throwing light on the painful aspects of its past.

Announcing the decision to open state archives on the slaying of the Algerians in 1961, the minister of culture, Catherine Trautmann, said Friday that it reflected "the desire of the government to clarify the tragic repression of that day." Under French law, official archives are normally sealed for 60 years.

The number of people killed during the police repression of a demonstration called by the National Liberation Front of Algeria, then in the seventh year of a brutal war to overthrow French rule, remains a matter of dispute.

The official total is still three dead and 64 wounded, but Mr. Papon has spoken during the trial of 15 to 20 dead, and most historians put the total at about 200. For weeks after the demonstration, bodies were fished from the Seine and Paris canals. The question has arisen repeatedly during the trial of Mr. Papon, 87, because of the light it may shed on his character.

To his accusers, he was a professional of cold ruthlessness, a bureaucrat with no conscience and a streak of cruelty, traits shown both as Vichy's secretary-general of the Gironde department surrounding Bordeaux and later as the Fifth Republic's police chief in Paris confronted by the unrest of the Algerian war.

To his defenders, Mr. Papon was merely a dedicated public servant, a man struggling with circumstances unimaginable to those now ready to judge him, a servant of what he saw as the best

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AGENDA

The Associated Press

James Michener, the grand-scale novelist, is dead. Page 3.

Currency Turmoil Shows No Letup

Malaysia unveiled a budget Friday that staked the country's future on information technology and a larger services sector.

But investors interpreted the budget as a failure by Malaysia to take firm steps to avoid a deepening financial crisis. The country's currency extended its recent losses, falling 2 percent against the dollar.

Separately, the Taiwan dollar sank to its lowest close in a decade after the central bank gave up its defense of the currency and indicated it might be allowed to fall further. Page 15.

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France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

Twin Boys From Long-Frozen Eggs

By Rick Weiss
Washington Post Service

WASHINGTON — A Georgian has become the first woman in the United States to become pregnant and give birth using eggs that had been frozen for years and then thawed and fertilized.

The procedure is a long-sought feat that could revolutionize reproductive options, doctors said Thursday.

If the method proves reliable, it would allow women to store their own eggs for fertilization later in life by the man of their choice.

Older women with eggs in the freezer, for example, could become pregnant with a genetically related child instead of relying on a donor egg. Single women about to undergo ovary-destroying cancer treatments could save their eggs until they find an appropriate mate.

Even older married women concerned about the possibility of divorce could keep a few eggs in the cooler, reserving the option of additional children by a donor.

"It does for the female what frozen sperm does for the male," said George Seidel, a reproductive physiologist at Colorado State University. "This enables a woman to freeze an egg before choosing the father."

The Georgia mother, who lives near Atlanta and has asked that her name not be divulged, gave birth in late August, at the age of 39, to healthy, nonidentical twin boys, after suffering from infertility since her early 30s.

Although the eggs she used were not her own, her case proves the possibility of using long-frozen eggs.

Meanwhile, another woman being treated at the same clinic — Reproductive Biology Associates in Atlanta — is 12 weeks pregnant with a fetus made from her own frozen egg, doctors there said.

And Italian researchers report in the October issue of Fertility and Sterility that a 28-year-old woman in their care has given birth to a healthy girl using her own stored eggs, which had been frozen for four months.

See EGGS, Page 4

Food Outlook in North Korea Remains Grim After Harvest

By Keith Richburg
Washington Post Service

PYONGYANG, North Korea — North Korea is facing another bleak harvest season of disappointing crop yields and will need continued outside food aid to avert widespread starvation, according to North Korean government officials and foreign relief workers based here.

At the same time, officials of North Korea's Foreign Ministry asked a visiting U.S. congressman for guarantees that food will not be used as a political weapon, before strongly suggesting that Pyongyang would soon be ready to reenter preliminary talks with South Korea and the United States aimed at reducing tensions on the Korean Peninsula.

An official assessment of North Korea's food needs will not come until later this month, after a World Food Program team completes an on-site inspection scheduled to begin next week.

But the preliminary estimate, from government officials and relief workers, is that North Korea may produce only about half of what it needs to feed itself this year, and in some hard-hit areas of the mountainous north, as much as 70 percent of the corn crop may be lost.

"I think when we finally finish the harvest, we can come out with a substantive estimate," said Kim Gye Gwan, the deputy foreign minister. But he said the initial projection made him conclude that North Korea would have to ask for assistance again.

John Prout, the deputy director of the

See KOREA, Page 4

Yun Jai Hyoung/The Associated Press

DMZ ABDUCTION — Photographers at a South Korean guard post trained their cameras on the North on Friday after troops from there crossed the Demilitarized Zone and abducted two Southern farmers. Page 4.

How to Put a Ruler in the Driver's Seat: A National Carmaker

By David E. Sanger
New York Times Service

The best way to see Malaysia's natural treasures, Malaysians always tell visitors, is from the front seat of the national car, the Proton.

If it looks a bit like a Mitsubishi, that's because it was designed in the Malaysian prime minister's office, with Mitsubishi officials leaning over the leader's desk, tweaking the design to translate a politician's vision into something workers could churn out of a factory in Kuala Lumpur. The final result was a peppy if somewhat clunky sedan.

On a jaunt through the Malaysian hill country a few years ago, the clatter of the engine brought villagers out to check out the racket. But the Proton isn't about creating a nation of roadster lovers; it's about creating a national industry.

The last thing the world needs these days is more carmakers. By 2002, car factories around the world, especially the new ones popping up throughout Asia and Latin America, will be able to produce about 20 million more cars than anyone will be ready to buy.

You would think that this statistic would give pause to the countries around the world that look at the Proton, which the Malaysians are trying to export, and decide that they should replicate the strategy. But the lure of joining the ranks of car-producing nations is a lot stronger than the discipline of economic logic.

Producing cars has become a matter of national ego and nationalistic politics. It's not simply that every president and prime minister wants to look out the palace window and see cars with hood ornaments bearing his country's flag (which, in Malaysia, is the surest way to pick out the Proton on the highway). They are convinced that building cars, like building computers, is a prerequisite to entering the 21st century.

In some ways, they are right. The auto industry still dwarfs the computer business in size, and it is

See CARS, Page 4

Queen's Gaffe-Filled India Tour Sparks Backbiting in U.K.

By Dan Balz
Washington Post Service

LONDON — Queen Elizabeth II's tour of India and Pakistan has turned into a royal mess back home.

Designed to celebrate 50 years of independence for both countries, the visit was intended to be a triumph for a monarchy grappling with pressures to modernize. Instead it has produced a series of gaffes, snubs, misunderstandings and, inevitably, finger-pointing over why things have gone wrong.

The queen has been spared much of the criticism. It has been aimed instead at the British foreign secretary, Robin Cook. With the situation deteriorating, Prime Minister Tony Blair on Thursday ordered his cabinet to initiate a full-scale damage-control mission to highlight the successes of the queen's visit, which the government complained had been largely ignored by the media.

After reports of tension between the government and the royal family over the handling of the tour, an official at Buckingham Palace issued an unusual statement Friday stressing that the queen was happy with the advice she has received from the Foreign Office and that she believed the trip was going well.

Meanwhile, Mr. Cook hit the television and radio studios in a furious effort to stamp out the stories of an error-plagued trip. He even suggested that the Conservatives were to blame and that he had merely inherited the visit from the previous government.

It was the Conservatives, when they were in power, who made the decision to schedule the visit to coincide with the 50th anniversary of the British Empire's granting of independence to India and Pakistan, he said. That mistaken decision guaranteed that the trip would be spent looking back at the region's imperial past rather than on the glorious future that Mr. Cook said lay ahead.

Mr. Cook's assertions brought out Michael Howard, the Conservative MP who serves as the party's shadow foreign secretary, to claim that it was Mr. Cook's ineptitude that had caused many of the problems. "Never in recent British history has a foreign secretary upset so many people in so short a time," he said.

That was not the official view of the palace Friday. "We have seen media reports from London suggesting that the queen is unhappy with the government's handling of arrangements for the state visit to India, which was at the invitation of the government of India," said a statement issued by an official in the queen's party.

"That is not the case. The queen has been entirely satisfied with the advice from the foreign secretary and his officials in the preparations leading up to the visit and during the visit itself."

Buckingham Palace usually ignores the kind of press coverage the queen's trip has generated, but in the weeks since the death of Diana, Princess of Wales, the royal family has been much more sensitive to criticism and eager to deny suggestions of differences between the monarchy and the government.

The palace's statement came a day after the latest embarrassment of the queen's trip. She had intended to deliver a speech at a banquet Thursday in Madras, but at the last minute was informed by the Indian government that she already had given one speech and that protocol prevented her from delivering a second.

British government officials quickly tried to explain away the misunderstanding by saying she was only going to give a toast and that if the Indian government did not think that was appropriate, that was fine with the queen. Mr. Cook dismissed the press coverage of the snub as "a tempest in a toast cup."

The trip started innocently enough. The queen tried to show off her compassionate side, praised Diana's work with the poor and was photographed wearing thick, blue socks as she entered the Faisal Mosque in Islamabad, Pakistan. She even got sympathetic coverage when she declared that the world was "changing almost too fast for its inhabitants, at least for us older ones."

But in Islamabad she gently urged India and Pakistan to settle their long-standing differences over the border state of Kashmir and was quickly accused of meddling in issues that did not concern her. Mr. Cook compounded the problem when, in a private meeting with the Pakistani prime minister, Nawaz Sharif, he suggested he was ready to help mediate a solution.

That brought a reaction from India, with Prime Minister Inder Kumar Gujral reportedly dismissing Britain as a "third rate power" that should know better than to interfere in a bilateral dispute.

Mr. Blair's office said the account had "no foundation," and soon after both governments said all was well. But that same day, a British Royal Marine band was told not to attend the opening of an exhibition at the Indian National Museum, and British diplomats were told they were not welcome at a banquet for the queen.

Bosnian Serbs Begin Secret Broadcasting

By Mike O'Connor
New York Times Service

SARAJEVO, Bosnia-Herzegovina — In a slap at the international officials who had declared their broadcasts a danger to peace, hard-line Bosnian Serbs have returned to the airwaves, managing to circumvent the NATO troops who had seized their transmitters.

The hard-liners went on the air Thursday night and continued broadcasting Friday. Political sources at their headquarters in Pale, quoted by Reuters, said the television signal could be seen over a wide area in eastern towns of Bosnia's Serb republic.

NATO spokesmen said they did not know how the Bosnian Serb authorities were broadcasting, or how much of the country they were reaching. A spokesman said NATO was trying to find what officials assumed to be at least two clandestine transmitters.

On Oct. 1, the North Atlantic Treaty Organization seized four television and radio transmitters controlled by hard-liners and turned them over to the Bosnian Serb president, Biljana Plavsic, who is being supported by the West.

U.S. and European diplomats said they asked NATO to seize the transmitters because of inflammatory broadcasts that were undermining the peace agreement.

On Thursday night, spokesmen said NATO troops were still holding the transmitters. But at 7:30 P.M., on television screens in Sarajevo, the broadcast from the studio controlled by Mrs. Plavsic in Banja Luka was replaced by a transmission from Pale.

The first program was a news show fairly typical of those broadcast by the faction, although its attacks on Mrs. Plavsic were toned down slightly. It was followed by a panel discussion in which the United States was described as an evil empire that has occupied a formerly independent state of ethnic Serbs.

Czarek Sokolowski/The Associated Press

CRACKUP — A driver involved in a 35-vehicle accident on the Warsaw-Gdansk highway in Poland on Friday emerging from his car. One person died in the pile-up during a morning fog, and four were injured.

Mandela to Visit Libya, Going by Car to Avoid Ban

By Lynne Duke
Washington Post Service

JOHANNESBURG — Although United Nations sanctions prohibit air travel to Libya, President Nelson Mandela of South Africa plans to visit the Libyan leader, Colonel Moammar Gadhafi, next week by traveling overland to Tripoli from neighboring Tunisia, a foreign affairs official here said.

In traveling by car, President Mandela will technically avoid violating the UN sanctions while making a state visit to thank Colonel Gadhafi for his support during the years of South Africa's black struggle against white minority rule.

But as has happened before in his relations with nations that the U.S. State Department categorizes as sponsors of terrorism, Mr. Mandela will be walking a fine line between loyalty to old friends like Libya and to new friends like the United States.

The UN sanctions were put in place in 1992 in response to Libya's refusal to hand over two of its intelligence agents indicted in the U.S. in absentia for the destruction by a bomb of Pan Am flight 103 over Lockerbie, Scotland, in which 270 people were killed.

The Libyan visit by Mr. Mandela, part of a recent pattern of progressively strengthened ties between the two countries, may include an effort to broker a solution to the Lockerbie dispute, a South Africa official said.

The U.S. and Britain have tried unsuccessfully to coerce Libya to relinquish the Lockerbie suspects. But Libya and the Organization of African Unity, of which it is a member, say the bombing suspects should be tried by Scottish judges in a neutral country.

With South Africa in full support, the OAU earlier this year called on the United Nations to lift the sanctions against Libya.

Whether a Mandela mediation attempt could produce results is unclear, but the State Department made a point this week of discouraging Mr. Mandela's trip.

A State Department spokesman, James Foley, said Thursday that the planned trip would violate the sanctions.

Mr. Mandela's chief spokesman, Joel Netshitenzhe, responded Friday by saying: "We do understand the strength of feeling of the U.S. government, but we hope, too, that they understand our position in South Africa."

TRAVEL UPDATE

Greek Air Controllers Plan Work Stoppage

ATHENS (AFP) — Disruptions were expected in flights to and from Greece on Saturday because of a work stoppage by 500 Greek air traffic controllers in protest of a government decision to freeze some of their bonuses.

The controllers were to stage a four-hour walkout, which was expected to affect about 49 flights run by foreign companies and 60 by Olympic Airways, including 25 domestic flights, according to a spokesman for the controllers' association.

Runway Confusion At Cleveland's Airport

CLEVELAND (AP) — Pilots are having trouble staying on the right runway at Cleveland's airport, and the Federal Aviation Administration is trying to find out why.

A spokeswoman, Tanya Wagner, said that the agency was investigating at least three runway incursions this month at Cleveland Hopkins International Airport. No collisions resulted. She said most of the problems involved planes' failing to make a proper stop before crossing a runway. The airport led the United States with nine runway errors last year.

Richard Rogers, who designed the Pompidou Center in Paris and Lloyd's headquarters in London, and Antonio Lamela, a leading Spanish architect, have been chosen to design a new terminal at Madrid-Barajas Airport, airport authorities said Friday. *(AFP)*

Virgin Atlantic Airways is awaiting approval to start a nonstop service from London to Las Vegas. The Civil Aviation Authority is expected to rule on the request in December. If approved, flights could start early in 1998. *(AFX)*

Correction

An item in the People column Friday erroneously identified the operator of a Three Stooges Web site. The site is operated by Bruce Laliberte; Comedy III Productions is a company owned by the heirs of the Stooges.

BRIEFLY

Bilbao Hit by Blast On Eve of Opening

BILBAO, Spain — Security was tightened in Bilbao on Friday after Basque separatists detonated explosives outside an office building a day before Spain's king and queen were due in the northern city to open the modernistic Guggenheim museum.

No one was injured in the blast, which did little damage to the apparent target, an employment office in the city center. Guerrillas of ETA (Basque Homeland and Liberty) warned of the attack in a call to the radical nationalist Egin radio station, which in turned contacted police.

On Monday this week, guerrillas shot and fatally wounded a policeman as he tried to question two men unloading flower pots from a suspicious van parked near the high-profile museum. The pots contained remote-controlled grenades.

The Guggenheim planned to open on schedule. *(Reuters)*

U.K. Seeks to Curb Protestant Marches

BELFAST — Britain's government outlined plans on Friday to defuse one of the most potent sources of conflict in Northern Ireland's divided society, the hundreds of uniformed parades staged every year, mainly by Protestant groups.

Northern Ireland Secretary Mo Mowlam said she was asking a new Parades Commission to plan how to prevent a repetition of ugly scenes that have occurred annually during the "marching season," which has its climax in mid-July.

Under a bill to be introduced shortly in Parliament, the commission would take powers at present exercised by the mainly Protestant Royal Ulster Constabulary police force to re-route parades or impose restrictions on them.

Organizers would have to give 28 days' notice of marches, rather than 21 as at present. *(Reuters)*

Moderate Coalition Takes Over in Oslo

OSLO — A three-party moderate coalition government took power in Norway on Friday under the leadership of a Lutheran minister with a dream of restoring the "traditional values" of modesty and personal thrift.

Kjell Magne Bondevik, a former leader of the Christian Democrats, succeeded Prime Minister Thorbjoern Jagland of the Labor Party, whose minority government resigned when it failed to win the mandate it demanded in September's national elections.

"I ask for the support of the people and God's help in the responsibility we are assuming," Mr. Bondevik said in presenting his 19-member cabinet on Thursday.

The coalition of the Christian Democrats, the Center Party and the Liberals will attempt to rule Norway with a total of just 42 representatives in the 165-seat Parliament. *(AP)*

Swiss National Bank to Give to Holocaust Fund

Reuters

ZURICH — The Swiss National Bank said Friday that its banking committee had decided to allow the central bank to contribute 100 million Swiss francs to a Swiss Holocaust Fund.

A spokesman for the bank said the decision was an interim step and that a final decision would be made by the bank's 40-member council, which will consider the issue Oct. 31.

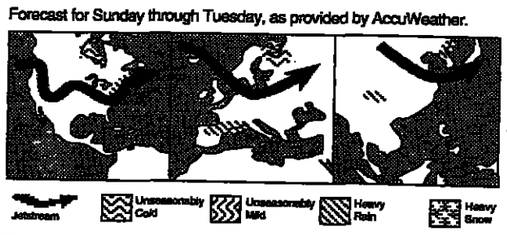
The bank called the contribution, equivalent to about $69 million, a "gesture of humanity" in the context of a debate on Switzerland's economic and financial relations during World War II.

The Holocaust Fund, including the central bank's contribution, would total about 280 million Swiss francs. That figure also includes contributions from the Swiss private sector.

The Holocaust Fund is separate from the Solidarity Fund, which the Swiss government has proposed. The Solidarity Fund would be set up with money gained by revaluing Swiss gold reserves held at the central bank.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



Jetstream — Unseasonably Cold — Unseasonably Mild — Heavy Rain — Heavy Snow

North America
A coastal storm will spread wind-driven rain along the East Coast Sunday and Monday from the Carolinas to New England. Mostly sunny and hot in the Southwest Sunday, but turning cooler with showers Monday and Tuesday. Breezy and cool in the Midwest and the Southeast.

Europe
Most of France and southern England will be mild Sunday, but an Atlantic storm will spread clouds and rain over the area. That storm will head southeast, bringing colder weather to London and Paris Monday and Tuesday with soaking rain from Spain and southern France to northern Italy.

Asia
Cool with showers possible in Beijing Sunday and Monday, but partly sunny and nice Monday. It may shower in Seoul Monday; otherwise, partly sunny and pleasant through the period. North Korea will have soaking rains, but Tokyo will be comfortable with some sunshine each day.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, f-ice, W-weather.

All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	24/75	17/62 pc	22/71	16/64 sh
Amsterdam	19/66	13/53 pc	18/64	11/52 pc
Ankara	14/57	3/37 r	13/55	4/39 r
Athens	14/57	11/52 c	15/59	10/50 sh
Barcelona	22/71	14/57 pc	23/73	18/61 pc
Belgrade	13/55	2/35 s	16/61	9/48 c
Berlin	18/64	11/52 c	19/66	9/48 pc
Brussels	20/68	12/53 pc	19/66	11/52 pc
Budapest	11/52	3/37 pc	16/61	9/48 c
Copenhagen	15/59	10/50 c	13/55	5/41 pc
Costa Del Sol	28/82	19/64 pc	27/80	19/64 pc
Dublin	17/62	13/55 c	19/64	13/55 pc
Edinburgh	15/59	8/46 pc	14/57	7/44 c
Florence	19/66	11/52 pc	21/70	12/53 pc
Frankfurt	17/62	11/52 c	18/64	9/48 pc
Geneva	17/62	8/46 pc	18/64	9/48 pc
Helsinki	7/44	0/43 sn	8/46	1/34 r
Istanbul	13/55	8/46 sh	13/55	8/46 sh
Kiev	5/41	-1/31 pc	8/46	5/41 sh
Las Palmas	23/73	20/68 pc	28/79	21/70 pc
Lisbon	21/70	16/61 r	19/66	19/66 r
London	21/70	13/55 pc	21/70	13/55 pc
Madrid	28/79	11/52 pc	25/77	12/53 c
Mallorca	29/79	14/57 s	27/80	18/61 s
Milan	19/66	9/48 pc	19/66	11/52 pc
Moscow	2/35	-2/28 pc	3/37	0/32 sn
Munich	16/61	7/44 pc	19/61	7/44 pc
Nice	20/68	14/57 pc	21/70	14/57 c
Oslo	13/55	7/44 sh	11/52	-3/27 c
Paris	19/66	11/52 pc	19/66	11/52 pc
Prague	18/61	8/46 pc	17/62	7/44 pc
Reykjavik	3/37	-4/25 c	1/34	1/34 pc
Riga	7/44	7/44 r	11/52	6/43 sh
Rome	21/70	13/55 pc	22/71	13/55 pc
St. Petersburg	6/43	3/41 r	10/50	5/41 r
Stockholm	12/53	7/44 r	8/46	-3/27 sh
Strasbourg	18/64	9/48 pc	18/64	10/50 c
Tallinn	7/44	7/44 sn	9/48	2/35 r
Tbilisi	23/73	16/61 sh	22/71	16/61 r
Venice	19/64	11/52 pc	20/68	12/53 pc
Vienna	13/53	7/44 pc	17/62	10/50 c
Warsaw	9/48	7/44 c	16/61	8/46 c
Zurich	16/61	8/46 pc	16/61	9/48 c

Middle East

Abu Dhabi	37/98	22/71 s	37/98	21/70 s
Beirut	24/76	18/64 t	21/70	17/62 sh
Cairo	29/79	16/61 s	27/80	14/57 s
Damascus	28/79	15/59 r	21/70	11/52 pc
Jerusalem	22/71	12/53 r	21/70	11/52 pc
Luxor	33/91	17/62 pc	33/91	18/64 pc
Riyadh	35/96	20/68 s	34/93	19/66 s

Africa

Algiers	31/88	16/61 s	31/88	17/62 s
Cape Town	29/84	18/64 c	29/82	16/61 s
Casablanca	27/80	15/59 s	28/79	15/64 pc
Harare	21/70	6/43 pc	23/73	6/43 pc
Lagos	31/88	24/75 pc	31/88	23/73 pc
Nairobi	27/80	14/57 pc	28/82	14/57 pc
Tunis	29/79	14/57 s	29/79	14/57 s

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Almaty	24/75	8/46 s	25/77	9/48 s
Bali	32/89	21/70 s	32/89	21/70 s
Bangkok	32/89	23/73 pc	31/88	23/73 pc
Beijing	28/79	13/55 s	21/70	8/46 pc
Bombay	32/89	22/71 s	32/89	21/70 s
Calcutta	29/84	20/68 s	29/84	19/66 s
Chiang Mai	29/84	19/66 c	29/84	20/68 pc
Colombo	29/84	23/73 c	29/82	23/73 sh
Hanoi	29/84	23/73 r	29/84	23/73 sh
Ho Chi Minh	33/93	23/73 pc	31/88	23/73 sh
Hong Kong	27/80	22/71 c	28/79	22/71 pc
Islamabad	33/91	16/61 pc	31/88	15/59 pc
Jakarta	31/88	22/71 pc	31/88	22/71 pc
Karachi	33/91	19/66 s	33/91	19/66 s
K. Lumpur	31/88	22/71 r	31/88	22/71 c
K. Kinabalu	30/86	23/73 r	30/86	23/73 r
Manila	31/88	23/73 r	30/86	24/75 t
New Delhi	31/88	17/62 pc	31/88	16/61 pc
Phnom Penh	31/88	23/73 pc	33/91	23/73 pc
Phuket	32/89	23/73 pc	31/88	23/73 pc
Rangoon	31/88	22/71 pc	31/88	22/71 pc
Seoul	20/68	8/46 s	22/71	11/52 pc
Shanghai	28/79	18/61 s	28/79	19/61 s
Singapore	29/84	21/70 pc	30/86	21/70 c
Taipei	28/79	19/66 pc	28/79	19/66 pc
Tokyo	23/73	14/57 s	23/73	15/59 pc
Vientiane	30/86	20/68 c	29/84	20/68 c

North America

Anchorage	-4/25	-11/13 s	-2/28	-8/64 pc
Atlanta	19/66	10/50 pc	19/66	7/44 r
Boston	14/57	6/43 pc	12/53	7/44 r
Chicago	17/62	6/43 s	16/61	5/41 pc
Dallas	24/75	11/52 s	25/77	13/55 s
Denver	24/75	4/39 s	22/71	3/37 pc
Detroit	16/61	4/39 s	13/61	5/41 pc
Honolulu	29/84	21/70 pc	29/84	22/71 pc
Houston	29/79	13/55 s	23/73	10/50 s
Los Angeles	30/86	14/57 s	27/80	13/55 pc
Miami	30/86	20/68 t	29/84	20/68 pc
Minneapolis	18/64	7/44 pc	13/55	1/34 sn
Montreal	12/53	2/35 s	10/50	0/43 s
Nassau	31/88	23/73 pc	31/88	23/73 pc
New York	14/57	11/52 c	14/57	12/53 r
Orlando	27/80	17/62 t	28/79	15/59 pc
Phoenix	34/93	17/62 s	33/91	18/61 s
San Fran.	23/73	13/55 pc	19/66	8/46 pc
Seattle	19/66	8/46 pc	15/59	7/44 pc
Toronto	12/53	2/35 s	10/50	0/43 pc
Vancouver	14/57	6/43 pc	14/57	7/44 pc
Washington	18/61	10/50 sh	19/66	10/50 sh

Latin America

Buenos Aires	17/62	11/52 c	19/66	8/46 pc
Caracas	29/84	20/68 pc	29/84	21/70 pc
Lima	23/73	19/61 s	22/71	17/62 s
Mexico City	19/66	6/43 pc	19/66	8/46 c
Rio de Janeiro	21/70	17/62 r	21/70	18/64 sh
Santiago	14/57	4/39 r	17/62	6/41 pc

Oceania

Auckland	18/64	10/50 r	13/55	11/52 sh
Sydney	18/64	8/46 s	17/62	10/50 pc

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'Fast Track' Is a Reality, Clinton Says

He Ends Latin Visit With Pitch For Trade

Compiled by Our Staff From Dispatches

BUENOS AIRES — Declaring that a "great tide of change" is sweeping the world, President Bill Clinton on Friday said isolationist voices must be ignored as efforts proceed to fully integrate the political and economic future of the Americas.

"We live in a time of extraordinary opportunity — revolutions in technology, information, communications bring our people and our nations closer than ever before — opening new possibilities," Mr. Clinton said in a speech to business leaders attended by President Carlos Saul Menem.

"The promise before us is bright but it is not inevitable," Mr. Clinton said. "We must seize the opportunity and we must meet the challenges and we must do it together."

American companies are the leading investors in Argentina, with $12 billion in investments that are increasing at more than $2 billion per year. The United States, Mr. Clinton said, cannot afford to react to such growth by taking a protectionist stance.

"The world economy — whether any government likes it or not — is already on a fast track," he said.

His speech, the last of his official business on a weeklong tour of South America, was a final long-distance sales pitch to U.S. lawmakers, who can withhold the "fast-track" negotiating authority Mr. Clinton wants for negotiating a free-trade zone in the Western Hemisphere.

In a country where more than 800 cases of violence, threats or intimidation against journalists were documented this year, Mr. Clinton also met Friday with four Argentine reporters.

After a stop at the U.S. Embassy, Mr. Clinton left for San Carlos de Bariloche, a tourist town on the eastern slopes of the Andes. He and his wife, Hillary Rodham Clinton, will unwind there with Mr. Menem and depart for Washington on Saturday night. *(Reuters, AP)*

U.J. Gauthier/The Associated Press

A federal agent removing munitions from the house in Millis, Massachusetts, of one of the arrested Marines.

6 Marines Seized in Explosives Theft

By David Johnston
New York Times Service

WASHINGTON — Six Marines based in North Carolina, including a captain, have been arrested on federal charges of trying to sell machine guns, anti-personnel mines, rocket grenades, plastic explosives and other weaponry stolen from military stocks, law-enforcement officials said.

In a search conducted as part of the investigation at a house in rural Massachusetts, authorities found detonating cord and 40 pounds of C-4 explosive, an amount that officials said was sufficient to set off an immense blast.

Within hours of the arrests, Defense Secretary William Cohen ordered a 30-day review of security procedures for weapons at all U.S. military bases. The Marines were assigned to various units at Camp Lejeune, the sprawling base in North Carolina.

"It's very worrisome that such an event was able to take place, that explosives and weaponry were able to be stolen," said Kenneth Bacon, the Pentagon spokesman.

The type and amount of material stolen was "troubling," Mr. Bacon said. "C-4 was taken, which is highly dangerous and used by terrorists. Machine guns were taken, hand grenades, Claymore mines, anti-tank weapons, a mortar. This is a lot more than handguns."

Seven civilians, including two gun dealers in North Carolina, were also arrested on weapons charges in the case, code-named "Operation Longfuse." The arrests were made after federal agents posing as weapons buyers purchased guns and explosives, law-enforcement officials said.

It is not clear whether any of the suspects conspired, officials said.

The investigation began more than a year ago when a Marine at Camp Lejeune alerted authorities to what he said were almost routine thefts of weapons parts and explosives that were then sold at area gun shows.

"Greed appears to be the motive," an official said.

POLITICAL NOTES

Million Man March: Quiet Anniversary

NEW YORK — On the second anniversary of the Million Man March, black men and women marked the occasion at scattered rallies around the country with some of the spirit but nowhere near the swarming multitudes of the original gathering.

Louis Farrakhan, the minister of the Nation of Islam, which organized the march in 1995, had called for a "holy day of atonement" Thursday, urging African-Americans to abstain from food, work and school.

It was impossible to tell just how many heeded the call. Rallies during the day in Chicago, New York, Denver, Atlanta and Philadelphia were sparsely attended. There were no throngs of black men on the Mall in Washington, where hundreds of thousands took part in the orderly demonstration two years ago.

The U.S. Postal Service, the nation's largest employer after the military, reported no significant absences among its 800,000 employees, nearly a fourth of whom are black. *(NYT)*

An Artistic Sheath For Capital Obelisk

WASHINGTON — The National Park Service has announced that next June, repair scaffolding will rise around all 555 feet (142 meters) of the Washington Monument.

Then, the scaffolding will be sheathed in blue-gridded transparent fabric designed by the postmodern architect Michael Graves.

Though the monument will close for up to four months early next year for elevator and climate-control repairs, it will remain open for exterior work that will go on at least until 2000. The public will be able to watch the repair work through the fabric and scaffolding.

Construction scaffolding has rarely, if ever, been designed by an architect, much less a world-famous one — usually it is an engineering job that creates a necessary eyesore.

"We are excited by the design. Instead of camouflaging the monument, we have interest and beauty to complement the monument," said Vikki Keys, deputy superintendent of the National Park Service. *(WP)*

Quote/Unquote

Senator Fred Thompson of Tennessee, a Republican and chairman of the Senate panel investigating campaign finance abuses, rebutting the notion that alleged misdeeds by President Bill Clinton and his aides are no worse than those of the Reagan and Bush administrations: "Anybody who makes a comparison with that to the White House of the 1980s ought to be ashamed of themselves. We have a scandal going on in Washington, D.C., now that is not like anything we've seen before." *(AP)*

Away From Politics

• **Alarmed by research** showing that sport utility vehicles and pickup trucks are inflicting unusually costly harm to cars and their occupants in collisions, some big insurers are raising liability rates on the oversize vehicles. It could amount to the largest overhaul of liability coverage since the rise of no-fault laws a quarter-century ago. *(NYT)*

• **The National Association** for the Advancement of Colored People is supporting calls for Merriam-Webster to revise its dictionary definition of the word "nigger." The Merriam-Webster dictionary's 9th and 10th editions define the word as "a black person...usually taken to be offensive." The NAACP president, Kweisi Mfume, said that definition "doesn't say, 'Once used to describe a black person, a slur.' It says, 'A black person.'" *(AP)*

• **A federal jury** in Newark, New Jersey, has ordered Continental Airlines to pay $875,000 to a female pilot who filed a sexual harassment lawsuit over pornographic pictures stashed by male colleagues in jet cockpits. The jury agreed with Captain Tammy Blakey's assertion that the photographs of naked women created a hostile work environment. *(AP)*

James Michener, Author of 'Hawaii' and Other Monumental Sagas, Dies

By Albin Krebs
New York Times Service

James A. Michener, who survived a Dickensian childhood to win the Pulitzer Prize with his very first book, published when he was about 40, and then became one of America's favorite storytellers with grand-scale novels like "Hawaii," "The Source" and "Texas," died in his home in Austin, Texas, on Thursday. He was about 90.

Mr. Michener chose to discontinue life-saving kidney dialysis treatment early this month and died of complications following renal failure, said John Kings, a longtime friend and assistant of Mr. Michener's.

Mr. Michener's entry in "Who's Who in America" says he was born on Feb. 3, 1907. But he said in his 1992 memoirs that the circumstances of his birth remained cloudy and that he did not know just when he was born or who his parents were.

"Tales of the South Pacific," a collection of stories he began while he was in the U.S. Navy during World War II, was his first published fiction and won the Pulitzer Prize in 1948. Although it later became a classic Broadway musical by Richard Rodgers and Oscar Hammerstein and a successful film, it was not a best seller at first.

It was not until Mr. Michener moved from his brief tales of people to his monumental sagas of places — beginning with "Hawaii" in 1959 — that he became one of those rare writers whose books are snatched up by the book clubs and become almost automatic best sellers even before they hit the book stores. As of late 1992, he was one of only eight authors who had written six or more No. 1 best sellers in the half-century history of the weekly New York Times best-seller list.

And just the mention of his name was enough to gain movie or television interest.

In the years after "Hawaii," Mr. Michener was often scorned by critics even as he achieved a huge and appreciative following.

Expertly applying his tried-and-true formula, he wove big, old-fashioned narratives involving generations of fictional families as they moved through expertly documented events in history. As a writer, he liked to celebrate the all-American virtues of patriotism, frugality, common sense and courage, and to enrich his episodic, educational fiction with such details as the geological origins and prehistory of the territory he staked out as his subject.

To gather information for his books, Mr. Michener often moved to the place he wanted to write about, soaking up atmosphere and collecting detailed information; he moved to Austin, Texas, for example, in 1981 to research his next book.

When "Texas" appeared in 1985, its 1,096 pages made it heftier than any previous Michener work, and its publisher, Random House, said the first printing of 750,000 copies was the largest in the company's history. Mr. Michener was about 78 when "Texas" came out, and his health was becoming precarious, but he immediately took on another huge subject for his next book.

He and his wife, Mari, had decided to settle near Austin, where the University of Texas had named him a professor emeritus, but they spent part of 1985 in Sitka, Alaska, to do research for his panoramic 1988 historical novel, "Alaska," which swept from the mastodon era to modern times. He followed "Alaska" the next year with "Journey," a novel about four men on a trip from England to the Klondike during the 1897 gold rush.

"Storytelling came naturally to me," he said. It was a gift that made him a multimillionaire, for in addition to the phenomenal total sales of hardcover and paperback editions of his 40-odd books, a number were sold to the movies and television — including "Centennial" (1974), encompassing Colorado's history; "Space" (1982), about the space program, and "Texas."

Typical of the critics' response to most of Mr. Michener's work was that of Orville Prescott of The New York Times, who wrote of "Hawaii" when it was published in 1959: "It may never make literary history, but for some time it has been making publishing history."

James Albert Michener, a mild-mannered, spectacled man who could have been mistaken for the small-town teacher he once was, was born in New York City, according to his entry in "Who's Who." But in a 1985 interview with Caryn James of The New York Times, he indicated that he had no definite information about his birth. "I have no idea who I am," he said. "I know what I was told, that I was a foundling."

According to his 1992 autobiography, "The World Is My Home: A Memoir," he was taken in by Mabel Haddock Michener, a poor young widow, and raised alongside other children who came and went from her home in Doylestown, Pennsylvania. "My mother made her living by taking in orphaned children and doing other families' laundry," he wrote. "The family I was reared in usually had four or five and sometimes as many as six other children."

Despite his childhood poverty, he said he felt loved and inspired by Mrs. Michener, a Quaker who read aloud to him from 19th-century novels, especially Dickens. Mr. Michener wrote movingly about the experiences of his childhood in his second, highly autobiographical novel, "The Fires of Spring" (1949).

He was a footloose youth. "As a kid of 14, I bummed across the country on nickels and dimes," he recalled. "Before I was 20, I had seen all the states but Washington, Oregon and Florida. I had an insatiable love of hearing people tell stories, and what they didn't tell I made up."

At Swarthmore College, on a scholarship, he majored in English and history, receiving a bachelor's degree with highest honors in 1929.

Soon after he joined Macmillan Publishing Co. in New York as a textbook editor in 1941, the Japanese attacked Pearl Harbor and, he said, "I waived my Quaker principles and volunteered for service." He began as a navy enlisted man, but soon became an officer and was made a "super-secretary" to an aviation maintenance unit in the Solomon Islands.

At night, he turned the outlines into the short stories that became "Tales of the South Pacific," published in 1947.

By then, Mr. Michener was back at his job at Macmillan, but not for long. The hardcover edition of "Tales of the South Pacific" had only modest sales — 25,000 copies, despite the Pulitzer Prize — but the wildly popular 1949 musical "South Pacific," based on the Michener stories, turned the paperback version of the book into a runaway best seller of more than 2 million copies.

The musical, starring Mary Martin and Ezio Pinza, won another Pulitzer Prize, ran for 1,925 performances and was made into a popular movie in 1958. Mr. Michener liked to advise struggling writers on the key to success: "Make sure Rodgers and Hammerstein read your first book."

After his initial success, his name reappeared on best-seller lists again and again, decade after decade, on into the 1990s.

Relatives Shift Stand on Pan Am Trial

The Associated Press

NEW YORK — Reversing a long-held position, American relatives of victims of Pan Am Flight 103 are now willing to have two Libyans accused of bombing the jetliner tried in a third country, a spokesman for the group said Friday.

The move is aimed at forcing Libya's leader, Colonel Moammar Gadhafi, to act on his pledge to turn over the pair for trial somewhere other than the United States, where he insists they could not receive a fair trial.

"We're calling Gadhafi's bluff," said Bert Ammerman, a school principal in River Vale, New Jersey, one of the principal advocates for victims of the Dec. 21, 1988, crash over Lockerbie, Scotland.

"We're also asking the president to show some backbone, to bring this matter to a resolution" by agreeing to the trial in a third country, Mr. Ammerman said.

He said the relatives also believed that a U.S.-led oil blockade of Libya could force Colonel Gadhafi to turn over the two Libyans for trial outside the United States.

Manila Seizes 2 Guerrilla Leaders

The Associated Press

MANILA — Two leaders of a Communist rebel faction that the government asserts was responsible for killing a U.S. Army colonel and other assassinations in the Philippines have been arrested, the military said Friday.

Nilo dela Cruz, alleged chief of the Revolutionary Proletarian Army, and Arturo Tabara, said to be the secretary of its political wing, the Revolutionary Workers' Party, were arrested late Thursday in Marilao town in Bulacan Province north of Manila.

They were captured after their driver crashed into a lamppost while trying to evade military intelligence agents trailing their vehicle, said Colonel Pedro Cabuay, chief of the army's Intelligence Security Group.

Following the crash, Mr. dela Cruz and Mr. Tabara tried to shoot their way free, but the military agents and police officers apprehended the pair unharmed. The driver, Jose Christopher Belmonte, who was wounded in the shoot-out, and a woman, Cecilia Leano, were also arrested.

The military contends that Mr. dela Cruz uses the alias Sergio Romero as head of the Alex Boncayao Brigade, an urban guerrilla group that broke with the Manila branch of the Communist Party and that has claimed responsibility for several assassinations.

The police assert that the brigade has carried out more than 100 assassinations since 1987, mostly of police and military officers.

They say the brigade was responsible for the killing in April 1989 of Colonel James Rowe, a U.S. Army officer advising the Philippines on counterinsurgency tactics.

The group also claimed responsibility for the killing last year of Rolando Abadilla, a former colonel of intelligence accused of human rights abuses during the rule of the dictator Ferdinand Marcos.

In 1993, the Manila branch of the Communist Party and the Alex Boncayao Brigade — named for a labor leader allegedly killed by the army — broke away from the party after a dispute over the Maoist leanings of the party founder, Jose Maria Sison.

Mr. Tabara is said to have created an anti-Sison faction in the central Philippines, and he and the Manila branch leaders, including Mr. dela Cruz, joined forces to form the Revolutionary Workers' Party and its armed wing.

The mainstream party is engaged in on-and-off talks with the government on ending its 28-year insurgency.

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The religious ceremony will take place on Thursday the 23 october 1997 at 11 a.m. in the greek orthodox cathedral St.-Etienne 7, rue Georges Bizet in Paris 16th, from their Royal Highnesses the prince and princess Alexandre of Yugoslavia her Royal Highness Elisabeth of Yugoslavia and their children.
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I.B.C., The Iuventa, Karlovaska 64, Auditorium 104B. Worship Sun. 10:00. Tel.: (07) 715367

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Crossing DMZ, North Korean Troops Abduct 2 From South

By Kevin Sullivan
Washington Post Service

TOKYO — A dozen North Korean soldiers penetrated the South Korean-controlled half of the Demilitarized Zone between the two countries Friday and abducted a 66-year-old mother and her son gathering acorns near a rice field.

The North Korean troops took the two farmers back into the northern half of the DMZ and were holding them there Friday night, said Jim Coles 3d, a spokesman for the UN command that oversees the Demilitarized Zone.

The incident, the first abduction of South Korean civilians at the DMZ since 1975, followed several other aggressive acts by North Korean border guards in recent months along the heavily fortified DMZ.

Although the democratic South and the Stalinist North have been showing some signs of closer relations recently, the abduction is a reminder that military tensions between the two Koreas continue to run high.

South Korea demanded that the North return the two farmers immediately. A spokesman for President Kim Young Sam told Reuters that there would be "no problem" if the captives were returned quickly but that it could develop into a more serious matter if they were not.

Top-ranking officials from the UN and the North Korean military met to discuss the matter Friday afternoon in a neutral meeting room at the border village of Panmunjom. Mr. Coles said the results of that meeting had not been made public, but he said that he was hopeful that the North Koreans would release the captives "quickly," although he did not say when that would be.

"It should be over quickly — but that's a relative term," Mr. Coles said.

The abducted farmers — identified as Hong Sung Soon, and her son, Kim Young Bok — were captured as they foraged for acorns, which are used in making a Korean tea. They are residents of Taesongdong, the so-called Freedom Village in the southern half of the 4-kilometer-wide (3-mile-wide) DMZ.

In the past, the 237 residents of Taesongdong were somewhat used to such incidents. From the time the Korean War ended in 1953 until the mid-1970s, North Korean soldiers attacked or kidnapped many village residents.

The residents of Taesongdong are the South Koreans who live closest to North Korea.

They almost always tend their crops under the guard of UN soldiers.

The last abduction of a South Korean in the DMZ was in August 1975 in Taesongdong. That person was never returned.

South Korean officials said Friday that 10 South Koreans living abroad had been abducted by North Korean agents since 1971.

KOREA: *Food Outlook Is Grim*

Continued from Page 1

World Food Program, said, "Everybody thinks there's going to be a shortfall.

"No one expects a particularly rosy picture," he said, but he said relief workers in Pyongyang did not want to make specific estimates until the World Food Program team completed its inspection.

Other relief workers here were privately even more pessimistic in their forecasts.

The coming harvest will be as bad, if not worse than last year's, said one.

Another said, "There's a very slow starvation going on here. From the counties we've seen, they haven't had a regular food distribution in two years."

This rather bleak assessment of conditions here contrasts sharply with the more optimistic view recently put forward by a few aid workers who have passed through on brief visits, including Namanga Ngongi, the World Food Program's deputy executive director. He told reporters in Tokyo last week that relief aid had already alleviated the worst of North Korea's suffering.

But the more pessimistic view was largely confirmed during a visit this week to the normally closed and secretive country by Representative Tony Hall, Democrat of Ohio. Mr. Hall spent three days in North Korea, traveling by vehicle and aboard an old Soviet-built helicopter to towns and villages in the remote and mountainous north, and a Washington Post reporter was allowed to accompany his team to areas that officials said had never before been seen by an American journalist.

Some of the scenes of hunger and deprivation were stark, sadly familiar to parts of sub-Saharan Africa but surprising in a heavily industrialized Asian country. There were hospitals without medicine, where surgery was performed with little or no anesthesia, the electricity didn't work, and the only heat in the cold mountain air came from blankets.

In one orphanage, most of the children appeared badly malnourished, too small for their ages and with the telltale signs of malnutrition — patches of hair missing, sores on their scalps, and in the case of some infants, a lifeless, listless look.

There was also a food distribution center that was completely empty in one town, and officials said they had not had any food to distribute since April.

Congo Victor, In an Address, Delays Fixing Date for Vote

Reuters

OYO, Congo Republic — The Congo Republic's victor in the civil war, Denis Sassou-Nguesso, said Friday that the duration of a transition to democratic elections would be decided after the formation of his government.

Speaking at his first news conference since his Cobra rebels routed government forces this week, General Sassou-Nguesso said his priority was to start consultations with political groups "on forming a broad national unity government."

"It is after the formation of such a government that a decision will be made on the period of transition to organize free and democratic elections," General Sassou-Nguesso said at his hometown of Oyo in northern Congo.

He said Congo's problems, which led to four months of war between his Cobras and forces backing President Pascal Lissouba, "are rooted in tribalism, regionalism, intolerance and political violence."

"We ought to attack the problem at its root," he said, "and henceforth work for national reconciliation and unity to finally give birth to an indivisible and happy democratic Congo."

His rebels proclaimed victory in Brazzaville after seizing the presidential palace on Tuesday, putting Mr. Lissouba to flight.

Separately, France said Friday it had evacuated 59 foreign nationals.

It said the foreigners had been taken by helicopter from the Dolisie and Loudima regions of southern Congo to neighboring Gabon. A foreign businessman said earlier Friday that at least nine French citizens, some of them children, were trapped in a town near Dolisie by fighting there.

The French Foreign Ministry said the foreigners had been evacuated because they were "in a situation of great insecurity."

It said most of those evacuated were French nationals though others were from Germany, Portugal, Italy, Switzerland, Burkina Faso and Mauritius.

The victorious rebels celebrated Friday in Brazzaville, the gutted capital, as they waited for General Sassou-Nguesso to form a government.

Despite the reports of fighting in southern Congo, commanders of General Sassou-Nguesso's Cobra militia insisted that their forces were in control of the whole of the country.

Chanting market women joined the partying in Brazzaville as Cobras danced around pots of palm wine. Other rebels pushed stolen cars through battered streets strewn with corpses.

The commander of the victorious insurgents, General Jean-Marie Tassoua, pledged to halt looting in Brazzaville, notably in southern districts where Cobras had routed government forces.

"Within 48 hours they will have stopped looting and brought everything under control," General Tassoua said at his command post in northern Brazzaville, a stronghold of the Cobras in their four-month war against forces of Mr. Lissouba.

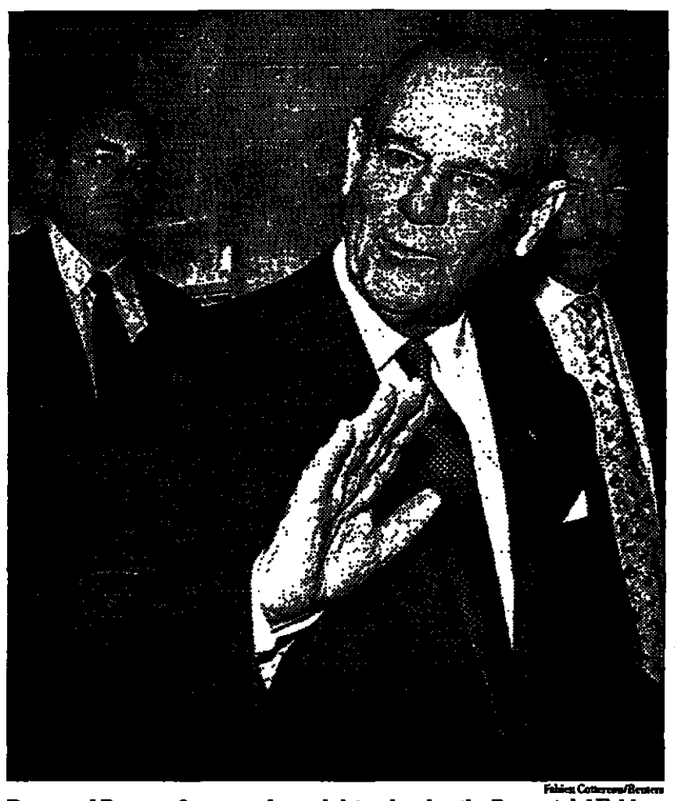
He said General Sassou-Nguesso would arrive in Brazzaville shortly after his address to the nation.

"From Oyo he is doing an important diplomatic job and is in contact with the outside world," the commander said.

"We control all of Congo now. There are no more movements of resistance," General Tassoua added.

General Tassoua, a former banker, scoffed at Mr. Lissouba's declaration in a BBC radio interview Friday that he was willing to meet General Sassou-Nguesso for talks.

"It makes me laugh when Lissouba says he'll talk now," General Tassoua, 50, said. "I think he should be pursued for crimes against humanity."



Fabien Cottereau/Reuters

Raymond Barre, a former prime minister, leaving the Papon trial Friday.

PAPON: *France Will Open Secret Archives*

Continued from Page 1

interests of France. Mr. Papon said this week that the killings in Paris were the result of factional disputes within the National Liberation Front and denied that the police were responsible for any of the deaths. But in an interview published Friday in the weekly L'Express, Rene Letard, a participant in the repression, said Mr. Papon had assured the police that he would cover any abuses.

"We went to the upper floors of buildings and we fired on anything that moved," Mr. Letard was quoted as saying. "It was horrible, but Papon had said he would cover us."

In court in Bordeaux, Jean-Luc Einandi, author of "The Battle of Paris," which examined the events of Oct. 17, 1961, said that Mr. Papon clearly bore personal responsibility for acts that "dishonored the police."

But Mr. Messmer, the former prime minister, sought to draw a moral distinction between Mr. Papon's acts under Vichy and those under the Republic. In the former case, he said at the trial, Mr. Papon should have resigned when faced by orders from an illegitimate government to round up Jews.

But, speaking later in a radio interview, he said that Mr. Papon could not be blamed for following the orders of the interior minister of the Fifth Republic at the time of the demonstration in Paris.

"Whether you like it or not, we were at war with Algeria at the time," said Mr. Messmer, who was minister of the army in 1961. "Allowing the National Liberation Front to demonstrate in Paris was like a knife in the back of the 500,000 French boys in Algeria. We, the government, were responsible for the orders given, even for the unfortunate mistakes, but not for crimes, if there were any."

■ A Truth of the de Gaulle 'Myth'

The reputation of de Gaulle took a slap Friday when a close aide testified in the trial of Mr. Papon that "all the general's prime ministers held public office under Vichy, and yet it's like they never did," Agence France-Presse reported.

Olivier Guichard, a former minister and longtime adviser to de Gaulle, who was president from 1958 to 1969, said, "The Gaullist myth started by saying the Vichy regime didn't exist." This "myth," he added, was supported by another: "The French won the war."

Mr. Guichard's testimony followed that of Raymond Barre, a former prime minister who had made Mr. Papon his budget minister in 1978, eight years after de Gaulle's death.

Mr. Barre said he had not known then what Mr. Papon's exact duties were during the war. "I didn't ask myself a lot of questions," Mr. Barre said. "I had known him since 1976. His reputation was excellent." He said press reports in 1981 had made him aware of Mr. Papon's background, but that during his term in the Barre government, Mr. Papon had been very loyal and had "helped to save France's finances" after the second big oil price increase of the 1970s.

Japanese Killer, 15, Gets Maximum Sentence: 11 Years

By Nicholas D. Kristof
New York Times Service

TOKYO — A family court handed down the toughest sentence possible Friday to a 15-year-old boy who had confessed to the murders of two children, including the beheading of a neighbor boy that transfixed the nation.

The court sent him for medical treatment to a special juvenile reformatory where he can be held until the age of 26.

The judgment concluded a series of hearings in family court and ended a legal process resulting from the most grisly crime in years in Japan. The head of the dead boy, who was 11, was left at a school gate one morning with a threatening note stuffed in the mouth.

The arrest of a teenager for the murder led to widespread debate about whether Japan's society and school system should bear part of the blame for having turned out such a person. The case also led to discussion of whether Japan was tough enough on young offenders; children under the age of 16 cannot be charged with a criminal offense.

As a result, the decision Friday was not a formal conviction and sentencing. Instead, it was a closed hearing in which the judge established that the boy had committed the murders and concluded that he should be sent indefinitely for medical treatment.

The boy, who was 14 when he attacked the other children, will be transferred to a special juvenile detention home near Tokyo where he will receive psychiatric treatment.

He will be regularly evaluated there and under present law can be held until his 26th birthday, when he must be released.

The judge could have sent him to a regular juvenile reformatory, where he would normally have been kept for a maximum of three years.

As a result of this case, however, the laws have been toughened so that even an ordinary reformatory now can keep offenders until they turn 23.

The boy's name has not been made public because of his age, but he is one of the most discussed figures in Japan.

The boy's parents, whose names have also been kept secret, partly to avoid identifying the boy, issued a statement apologizing for their son's actions.

"We are so sorry that we cannot even offer an excuse," the statement said. "We did not realize how serious his problems were."

In addition to killing and beheading the neighbor, the youth beat a 10-year-old girl to death and injured two other children. In a letter he made public after the beheading and before he was caught, he taunted the police and warned that he would continue to kill people at his pleasure.

Netanyahu Endorses Control by Orthodox, Risking U.S. Criticism

The Associated Press

JERUSALEM — Prime Minister Benjamin Netanyahu affirmed Friday that he would back legislation cementing Orthodox control over the Jewish religion in Israel — a move likely to anger U.S. Jews.

Most American Jews belong either to the Reform or the Conservative movements, which have been seeking a foothold in Israel through court recognition of conversions by their rabbis.

Orthodox legislators threatened to bring down the Netanyahu government unless he pushed their bills through Parliament by the end of November. Mr. Netanyahu promised to back the bills, aides said.

Commenting publicly on the confrontation, Mr. Netanyahu stressed that he hoped for a compromise.

But if such efforts fail, he said that he would back the Orthodox, who dominate religious affairs in Israel. Referring to the court battles of the Reform and Conservative movements, Mr. Netanyahu said, "There is this attempt to change the status quo, and this calls upon us to support the legislation."

Rabbi Uri Regev, the leader of the Reform movement in Israel, warned of an angry backlash from American Jews.

SHIPS: *'Breakthrough' Will Avert a Trade War Over Shipping*

Continued from Page 1

Winter, executive secretary of the Steamship Association of Southern California.

Any prolonged halt in the billions of dollars in trade between the two countries — everything from consumer electronics to computers, wine, and automobile components — could quickly ripple through the world's two largest economies.

It could also upend the final stages of negotiations over a civil aviation accord, an agreement that is significantly higher on Washington's agenda than the shipping dispute.

"I think the Japanese are a bit shocked at the severity of the commission's action," said an administration official who spoke on condition of anonymity. "We were taken aback a bit ourselves."

The order could be lifted immediately if the Japanese shipping companies agree to pay the fines or reach a settlement.

The dispute involve rules set by the Japan Harbor Transportation Association, a politically powerful, private group that represents stevedores and terminal operators. The association has a strong interest in resisting reforms, which it fears could threaten its workers.

But the issue is complicated by the fact that the association is also a major contributor to Japanese politicians and by the widespread belief in Japan that harbor operations have close links to organized crime groups.

Perhaps one reason that this dispute intensified so quickly this week is that the initial negotiations took place outside the ordinary trade apparatus in both countries. *(AP, NYT)*

EGGS: *'It Does for the Female What Frozen Sperm Does for the Male'*

Continued from Page 1

"It's not a fluke," said Michael Tucker, the Atlanta clinic's scientific director, referring to their recent success. "This field is moving fast."

Although human embryos freeze well and can be thawed later to make babies, unfertilized human eggs have generally proven too fragile to survive the rigors of freezing and thawing. Countless efforts to make babies from thawed eggs have ended in failure, and the three or four reports of successful births — mostly sketchily documented cases in Europe and Australia — have never been repeated in efforts by the same doctors.

That meant the only way a woman could preserve her genes for later use was in the form of a fertilized embryo — an option unacceptable to women who don't know who they want to be the father.

Younger women, in particular those who know they want to delay childbearing until they are older, may benefit. Eggs from a woman when she is older are more prone to produce children with Down's syndrome and other disorders. But animal experiments suggest that young eggs stay young as long as they are frozen.

"It really is a state of suspended animation," Mr. Seidel said.

Egg freezing could also relieve a growing number of medical and ethical problems in the egg donation business, in which fertile young women sell their eggs to infertile women. For example, egg donation is medically complicated now because a recipient's hormone cycle must be coordinated with that of the donor, said Mark Sauer, chief of reproductive endocrinology at New York's Columbia-Presbyterian Medical Center.

Moreover, donors often produce more eggs than can be used by the few recipients who have been primed to receive them; a freezing option would keep those eggs from being wasted.

The creation of embryos from donated eggs is also ethically controversial because many embryos are never used, raising questions of ownership and disposal. By contrast, frozen egg cells stir little debate.

CARS: *A National Manufacturer, Governments Around the World Feel, Helps Put the Ruler in the Driver's Seat*

Continued from Page 1

a lot easier to enter. Assembling cars absorbs a lot more labor than screwing together personal computers and, along the way, it forces countries to develop a wide range of other industrial skills, like bending steel, producing glass, extruding rubber tires and making high-tech plastics.

As engineers from Kuala Lumpur to Prague are sure to tell you, even a simple car these days contains a lot more chips than a simple personal computer.

That is why national cars are so intoxicating for political leaders: They create a local demand for all these products. To bring those industries along in a world of intense competition, governments around the world are still prepared, even in the face of international protests, to subsidize and protect their pet projects.

And who can blame them? The Japanese did it, while America was diverted with keeping the Soviet Union at bay, and the result was the world's second-largest economy. The South Koreans did it — chiefly by keeping out the Japanese and the Americans — and the wealth they spun off from that effort humiliated their deepest enemy, North Korea. Even the Brazilians are producing 2 million cars a year, which is nothing to sneeze at.

But there are warning signs all over that this strategy is headed for disaster.

The Cold War may be gone, but the car wars are just starting. Nations that have made cars for decades and have run out of new customers at home are growing increasingly testy about the huge tariffs and legal restrictions that are designed to keep them from going head-to-head with local carmakers.

For car buyers in the United States, that may mean a short-term bonanza. With Detroit turning out more than it can use at home or export abroad, there is already evidence of a deflationary cycle under way in the auto industry, depressing prices.

But for the world's car industry, the long-term result may be instability. Already the protectionist walls that many countries have built to protect their fledgling carmakers are beginning to crack. And many are clearly not going to survive.

Nowhere is the battle being fought harder than in the clogged streets of Beijing and Shanghai, in the world's largest potential car market.

For years, U.S. and Japanese carmakers have been pouring resources into China — remember the Beijing Jeep, Chrysler's first, somewhat hapless, foray into teaching Chinese workers how to assemble a car that could endure the rigors of China's roads — and yet today there is still only one car in the country for every 100 Chinese. (By comparison, in the United States there are 75 cars for every 100 people, and in Thailand a dozen or so for every 100.)

China's approach to developing a car industry has been to let 100 joint ventures bloom. There are 120 automotive manufacturers in China today, many producing parts instead of full cars, and all with different abilities, different partners and widely varying levels of expertise.

"I don't think there is a unanimity of opinion on how the industry should develop here," Vaughn Koshkarian, the president of Ford Motor (China) Ltd., said recently in Beijing.

"There are clearly some who really want a national capability," he explained. "Some officials say they really want a national, indigenous capability. Others say they are happy to let foreigners come in as partners and that they should be treated as locals. But they all want the ability to design cars through and through."

The result is a crazy quilt of alliances and protectionism. Foreign carmakers are free to enter joint ventures with Chinese partners as long as they hold no more than a 50 percent stake in any company.

Ford, for example, now has five joint ventures making such components as climate controls and plastic trim, glass, electronics and aluminum radiators. But it still cannot distribute Ford cars directly to Chinese dealerships, and import duties can run to more than 100 percent.

Moreover, China's leaders cannot decide how quickly they want the industry to grow.

"Right now, the debate in China is houses versus autos, and houses are winning," Mr. Koshkarian said.

But American automakers are telling Chinese officials that cars are the eventual solution to the country's housing crisis: How else would you get to the suburbs-to-be?

BRIEFLY

Singapore Assails Amnesty's Report

SINGAPORE — Singapore on Friday denounced an Amnesty International report that said it was concerned that leaders of the wealthy island state were using defamation suits to silence the opposition.

A statement by the Law Ministry called the report by the human rights group totally unfounded, dishonest and disingenuous.

It said the Amnesty report resembled another one by the International Commission of Jurists, also commenting on a suit brought by Prime Minister Goh Chok Tong against Joshua Jeyaretnam, leader of the Workers' Party.

"They have engaged in a coordinated, partisan propaganda campaign to pressure the Singapore government," the ministry's statement said. *(Reuters)*

Singapore Battles Oil Spill Off Coast

SINGAPORE — Nearly three dozens boats battled Friday to contain a 7-million-gallon oil spill, caused by the collision of two ships off Singapore.

The boats sprayed chemicals on the water, and crews placed oil booms off several beaches to minimize the amount of oil reaching the shoreline, the Maritime and Port Authority said.

The authorities said the spill was under control. There was no immediate word on the extent of damage caused by the spill. *(AP)*

Indonesian Cities Hit by More Smog

JAKARTA — Choking smog caused by forest fires in Indonesia blanketed several cities in the country again Friday, with one Sumatran town reporting zero visibility.

Government officials said visibility in several cities on Sumatra Island and Kalimantan, the Indonesian side of Borneo Island, was between 100 and 500 meters. They said more fires were reported on the two islands.

"We have received reports which say visibility in cities such as Palembang, Bengkulu, Jambi and Padang on Sumatra is between 100 and 500 meters," a meteorological official said Friday. *(Reuters)*

China Launches A U.S. Satellite

BEIJING — China launched a U.S.-made telecommunications satellite aboard a Long March 3B rocket on Friday.

The launching from the Xichang Space Center in southwestern Sichuan Province, "pierced the sky like a fiery dragon," the state-run Xinhua press agency reported.

The ApStar-2R telecommunications satellite, belonging to Hong Kong's Asia-Pacific Satellite Telecommunications, entered orbit 30 minutes later, it said. *(AP)*

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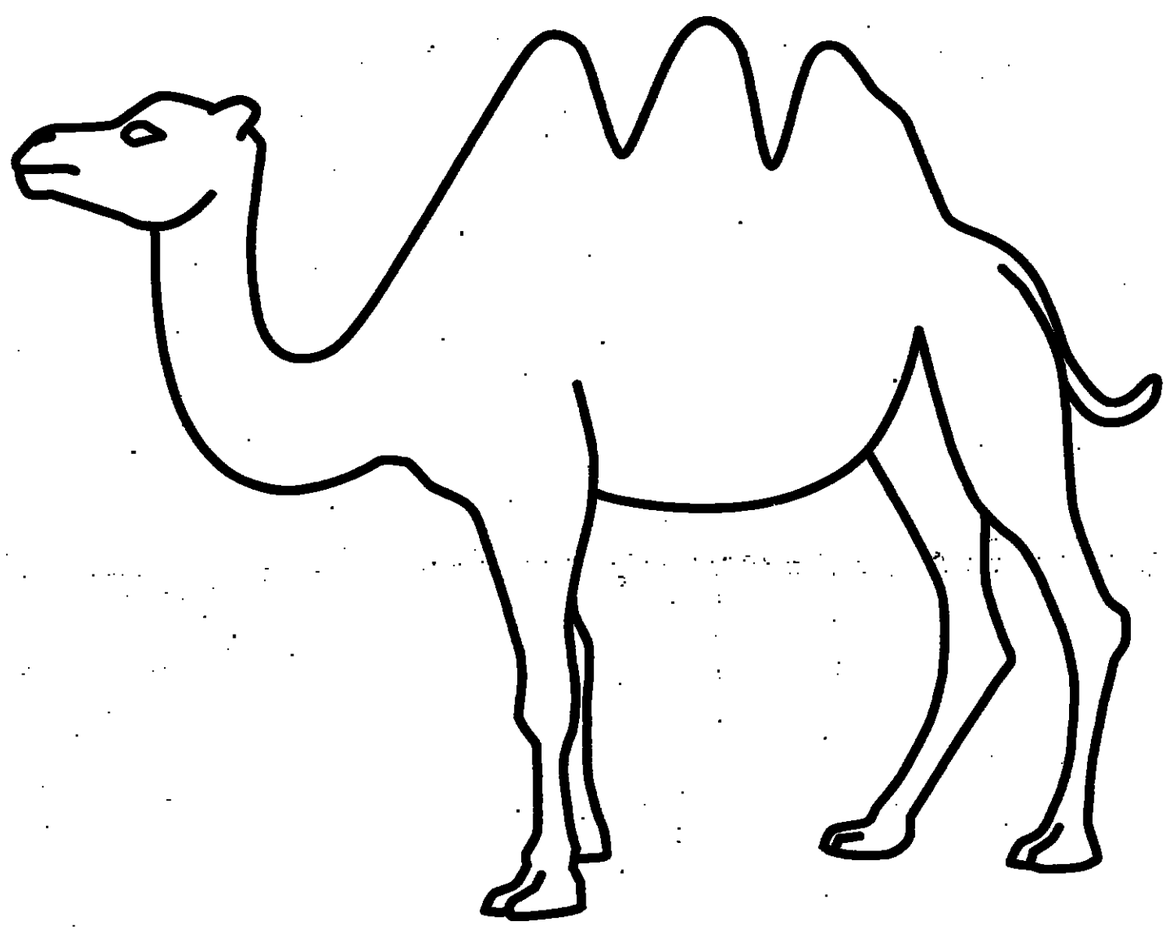
The new 3-cylinder ECOTEC engine goes 800 km between drinks.



Exceptional fuel economy (5.8 l/100 km) is one reason why the Opel Corsa with its new 3-cylinder ECOTEC engine won top honors among the more than 200 cars recently compared by the VCD (Transport & Environment Association, Germany).

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McCANN-ERICKSON

Herald International Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Cloak and Budget

The tenacity of Washington's secrecy keepers has never been doubted, but this past week they recorded another milestone in minimal disclosure. Cornered by a lawsuit brought by the Federation of American Scientists and President Bill Clinton's own words allowing for disclosure of Washington's annual bill for intelligence activities, the Central Intelligence Agency announced that last year's spy budget was $26.6 billion. It was a bit like calendar makers declaring with great solemnity that Christmas this year will fall on Dec. 25.

Informal budget estimates have circulated publicly for years. The most recent, at least, turns out to have been close to the mark at $28 billion. The niggardly CIA announcement served mainly to confirm that the agency and its fellow spy organizations still have much to learn about the public's right to information in a democracy.

If there was ever a convincing case for keeping everything about the intelligence budget secret, it ended with the disintegration of the Soviet Union. Even during the Cold War, the primary consequence of the blackout was to keep Americans ignorant about spy expenditures that Soviet leaders no doubt knew from their own espionage operations.

The spy budget covers 13 agencies, including the CIA, the National Security Agency, which monitors worldwide communications, and the National Reconnaissance Office, which manages spy satellites. Funding for them is buried in the Defense Department budget in innocuous accounts like those for air force space programs. Members of Congress get to see the real books, but the public has little way of knowing where the money is going.

The government need not make public a detailed ledger of intelligence activities. Knowing what Washington spends on efforts to combat terrorism, for instance, might help terrorist groups understand whether their activities are being closely monitored or largely ignored. Nor should the United States tell potentially hostile foreign governments how much effort it is devoting to espionage in those nations. But short of such damaging disclosures there is considerable latitude.

A breakdown of spending by agency and comparative information about earlier years would be helpful to Americans wondering whether Washington's spy agenda fits the times. The National Reconnaissance Office now spends about $6 billion a year, according to outside estimates. Americans ought to know whether that budget is increasing or decreasing and whether satellite systems designed primarily to track Soviet military forces and communications should be replaced by smaller, less costly and more specialized satellites. Similar calculations need to be made about other agencies.

Unfortunately, the Clinton administration does not seem inclined to go beyond this most recent disclosure. George Tenet, the new director of central intelligence, has slowed efforts to declassify additional budget information and to lift the secrecy from intelligence archives. Now that he has satisfied Mr. Clinton on the overall budget figure, Mr. Tenet is under no pressure from the White House to provide more information. That may suit the spies, but it does not suit democratic governance.

—THE NEW YORK TIMES.

Reno's Burden

The U.S. attorney general, Janet Reno, did a creditable job the other day of defending her position with regard to the naming of an independent counsel to investigate campaign fund-raising. Republicans on the House Judiciary Committee kept asking: Did she not think this or that circumstance required her to seek appointment of an independent counsel under the terms of the act? No, she consistently replied.

Chairman Henry Hyde pointed out that polls show the public thinks the investigation and prosecution of this case should be taken out of the Justice Department and put in independent hands. His point was that one of the objects of the statute is to preserve the confidence in the administration of justice that the polls would suggest the public lacks.

There is a case that can be made on these grounds. But her response was also a strong one. And it could itself influence the polls. It was that law enforcement ought to be based on something other than shifts in public opinion. "I don't think you want polls involved in the construction of the law," she said. "And I don't think the American people want polls involved."

Another member asked if a given transaction didn't create "an appearance of wrongdoing." "I am not addressing the issue of appearance," was her reply. "What I am addressing is whether there is specific and credible information" that a "person covered by the counsel statute may have committed a violation of federal criminal law."

What about a case in which a contributor may have benefited from administration policy, she was asked. "When somebody contributes to a congressional campaign, and then the congressman votes in favor of the interest that was making the contribution, I do not automatically assume that the congressman has done something wrong," she answered, to which her questioner replied, "Well, and nor do any of us." The interlocutors, however, did not exhaust the subject with that formulation.

She said the government had the double obligation in this case of enforcing the law vigorously without regard to party, but without allowing itself to be "caught up in mere speculation and innuendo," either. The senior Democrat on the committee, Barney Frank, drew a second distinction. "People can find actions of the president and the vice president, in the course of fund-raising, unattractive. I do. There are things they did that I don't think they should have done." But that's not the same as saying they broke the law.

Ms. Reno left open, as she has before, the possibility that she may yet decide to seek an independent counsel. In an effort to reassure the committee, she said the FBI director, Louis Freeh, would have to sign off on the abandonment of any line of investigation. The investigation has had an ineffective start. She has at last moved to strengthen it. We'll see. She bears an extra burden of proof if she decides not to seek an independent counsel.

—THE WASHINGTON POST.

Patently Shortsighted

The Senate is considering a bill to recast the patent laws in ways that would threaten small inventors and dampen the innovative spirit that helps sustain the economy. The bill is so mischievous that it has attracted an unusual coalition of opponents, including the icon of liberal economists, Paul Samuelson, the icon of conservative economists, Milton Friedman, and 26 other Nobel Prize-winning scientists and economists.

Patent laws currently require inventors to disclose their secrets in return for the exclusive right to market their product for up to 20 years. Early disclosure helps the economy by putting new ideas immediately into the hands of people who, for a fee to the patent holder, find novel and commercially applicable uses for these ideas.

The Senate bill would weaken patent protection for small inventors by requiring inventors who file for both American and foreign patents to publish their secrets 18 months after filing rather than when the patent is issued. Small inventors say that premature publication gives away their secret if their application fails. It would also allow large corporations to fend off legal challenges to maneuver around the patent even if it is later issued.

Worse, the bills would encourage corporations to avoid the patent process altogether. Under current law, companies that rely on unpatented trade secrets run the risk that someone else will patent their invention and charge them royalties. The Senate bill would permit companies whose trade secrets are later patented by someone else to continue to market their products without paying royalties.

The House of Representatives and the Senate Judiciary Committee approved the patent bill without hearing the country's leading economists and scientists make their case. Senate sponsors now say they will try. Congress needs to hear the critics out before proceeding to any more votes.

—THE NEW YORK TIMES.

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Saddam's Germ Warfare Machine Is To Be Feared

By A.M. Rosenthal

NEW YORK — This is a mystery story without a mystery. Everybody involved knows the key — terrorists, anti-terrorists, U.S. officials, America's allies, enemies and sunshine friends. But they do not want to utter it. Before this column ends you will know it too, and be afraid.

On April 1, 1991, one month and a day after Saddam Hussein was defeated in the Gulf War, the United Nations Security Council ordered Iraq to destroy all its germ warfare weapons, all stocks of germ war material, and all "related subsystems and components and all research, development, support and manufacturing systems."

The order was top priority for the United States and its allies because they knew that Mr. Saddam had amassed a huge supply of biological weapons. They knew Iraq already had a large supply of suitable warheads and that germ warfare weapons are easy to deliver — by crop-duster or other small planes. Iraq has plenty.

They knew that one dusting of a city could kill as many people as did the Hiroshima bomb. They call it "the poor man's nuclear bomb."

They also knew that if Mr. Saddam did not want to do the job himself, then he had a full address book of terrorists who would.

Until July 1995, Iraq totally denied it had any bacteriological program. Since then, it has presented three versions and four drafts about the programs it denied existed. The UN special investigation commission on Iraq found them full of lies and evasions, and rejected all.

On Sept. 17, 1997, Iraq turned in a new report. On Oct. 7, the commission, now headed by Robert Butler, an Australian with a clear mind and tongue, reported on the last accounting. The commission, backed up by an international panel of experts, said it "failed to give a remotely credible account of Iraq's biological weapons program."

Instead, the commission report tells of the same old Iraqi techniques to block the investigators: delays, evasions, falsehoods, locking inspectors out of key sites, shuffling weapons and materials around the country.

The production in Iraq of materials used in biological warfare appears vastly understated, says the report. And in imports, material unaccounted for was enough to triple the supply just of anthrax that Iraq did concede.

Summed up, the adherence by supposedly defeated Iraq to the orders of the victors to destroy germ warfare weapons is "unredeemed by progress or approximation of known facts" about the Iraqi program.

Then the "mystery" is presented: "There is incomprehension of why Iraq is persisting so strongly with both refusing to make the facts known about its biological weapons program and why it is so insistent on blocking the commission's own efforts to reach those facts."

Now anybody who has spent any time at the United Nations understands that sentence to mean we most certainly do comprehend and don't like it.

What everybody "comprehends" is that easy manufacture and easy delivery over enemy cities or soldiers make biological weaponry so important to Mr. Saddam that he is perfectly willing to risk continued or even stronger sanctions against him.

But his decision is not all that daring. He knows the West believes, as I reported on Sept. 6, 1996, that he already had his warheads loaded with bacteriological and chemical weapons. The United Nations did nothing.

He knows that while the United States and Britain would support stronger sanctions, they are opposed in the council by Russia, China, France, Egypt and other countries lining up for future contracts with Iraq. He warns that if any further sanctions are imposed he will bar all UN inspectors.

That gall comes from knowing that when the United States talks about carrying out its laws against foreign companies building up terrorist states like Iraq and Iran, some official in Washington usually puts out dour stories about "backlash."

Translation: U.S. companies like Goldman Sachs, former home of Treasury Secretary Robert Rubin, might lose business. That is supposed to frighten Americans so that they will continue to accept the cash box as the one depository of American foreign policy.

Now you know. Mr. Saddam wanted it and he has it: germ warfare power, the nuclear bomb of terrorist gangs and of terrorist dictators who were not defeated after all. Be afraid.

The New York Times.

Good News for Northern Ireland: Yes, a Handshake Is a Start

By E.J. Dionne

WASHINGTON — It takes something — courage? — for a political leader to risk a public demonstration in which those assembled shout that he is "scum," a "traitor," and has his hands "covered in blood."

That is what happened this past week to Prime Minister Tony Blair when he visited a shopping center in predominantly Protestant East Belfast minutes after shaking hands with Gerry Adams. Mr. Adams is president of Sinn Fein, the political party in Northern Ireland with close ties to the Irish Republican Army.

It is not as if Mr. Blair was not aware of the political consequences of that handshake. A few days earlier, Andrew Mackay, the Northern Ireland spokesman for the opposition Conservative Party, said shaking hands with Mr. Adams was "somewhat premature."

Mr. Blair decided otherwise, and the negotiations happening now in Northern Ireland are one piece of genuinely hopeful news in the world. Yes, it is tentative good news. In the North, as in Israel, a bomb can go off at any moment and wreck the opportunity for peace. But by becoming the first British prime minister to shake hands with a Sinn Fein leader since 1921, Mr. Blair has signaled how historic this opportunity is.

A handshake, of course, is nothing but a gesture. As an Irish diplomat in Washington noted, "There have, alas, been historic handshakes — including handshakes on the South Lawn of the White House — that have not proved to be the closing statements on an issue." Mr. Blair met Mr. Adams privately as he met with all parties to the talks, including leaders of Northern Ireland's Protestant majority.

The handshake had to happen to legitimize Mr. Adams's decision to let the talks go forward. The Sinn Fein leader has been courageous in his own way, given the violent resistance to negotiations among his violent colleagues.

He thus becomes peculiarly representative of the ambivalence of so many Northern Irish Catholics. Most hate IRA terrorism. Yet many have voted for Sinn Fein/IRA candidates to signal their own discontent.

Mo Mowlam, the British cabinet minister in charge of Northern Ireland, explained how current conditions stoke old hatreds. "It is indefensible," she told this month's Labor Party conference, "that unemployment is still twice as high among Catholics as Protestants in Northern Ireland. This imbalance must be addressed. It is unacceptable in any civilized society."

The outlines of a settlement to the problems of the North were laid out in the 1995 "framework" document between the British and Irish governments. Northern Ireland is destined to remain part of Britain for some time at least, which reassures Protestants committed to union.

Northern Ireland needs its own government, much as Mr. Blair has devolved power to Scotland and Wales. An accord must not only enshrine equal rights for both Protestants and Catholics. It must also include power sharing to guarantee the Catholic minority decision-making authority.

What will test Mr. Blair's political and diplomatic skills is the next requirement: the creation of "all-Ireland" institutions to encourage cooperation between the North and the South on matters such as agriculture, economic development, the environment and transportation.

The cross-border bodies would seem to be practicality itself. The Irish Republic is experiencing an economic boom that makes it a more attractive partner to the North than ever.

But if Sinn Fein and the IRA agree to a deal, it will be because they view these cross-border institutions as "a united Ireland in embryo," as the Irish diplomat here put it.

That is the greatest fear of the Protestants. They will want to hem in the "all-Irish" institutions and limit the hopes that Catholics will invest in them.

Politics and diplomacy entail finding ways for competing parties to read agreements differently so they can compete in peace and resolve their differences, over time, through further compromise. If a united Ireland happens gradually, it will be because Protestants have come to terms with it. If pressure for a united Ireland dissipates, it will be because Catholics in the North have found an acceptable way of life within Britain.

In the meantime, Mr. Blair has found a simple but compelling argument. "Talking is no treachery," he says. "Agreeing is no betrayal." The handshake was a start.

Washington Post Writers Group.

For Bosnia, Too, Cautious Optimism and Newly Rising Hopes

By Anthony Lewis

SARAJEVO, Bosnia-Herzegovina — "The situation is better," President Alija Izetbegovic said. "There is hope for the future in Bosnia."

Coming from Mr. Izetbegovic, who has often taken a somber view of his country's prospects, the comment was notable. And it was echoed by many others I met here — editors, politicians, international experts.

Why the optimism? President Izetbegovic and others gave several reasons.

First they mentioned progress in dealing with indicted war criminals. President Franjo Tudjman of Croatia has just sent to the International War Crimes Tribunal in The Hague 10 accused Croats who he said had "voluntarily" turned themselves in. It was a powerful signal of international commitment to the Dayton agreement. For Mr. Tudjman acted, after long delay, under heavy American pressure.

That is a second fundamental reason for the optimism: The more decisive, vigorous American policy since Secretary of State Madeleine Albright visited here in May.

The most important indicted figure still at large is Radovan Karadzic, who led the Serbs in their genocidal war. But his influence in the Serbian half of Bosnia has been greatly reduced by his conflict with its president, Biljana Plavsic.

Another reason is the recent seizure by the international force here, SFOR, of four transmission towers used by Serbian television in Pale. SFOR acted at the request of the international civilian high representative, Carlos Westendorp, who made the decision because Pale television broadcast ethnic hate and called the peacekeeping troops Nazis.

The clampdown on Pale television, Mr. Karadzic's mouthpiece, is seen by many as a crucial step because of the way television was used by Serbian leaders to rouse the ultranationalism that led to the war. The TV broadcasts depicted Muslims and Croats as killers of Serbs. Haris Silajdzic, co-chairman of the Bosnian government, said there was "a collective paranoia created by the media."

On Thursday, the Bosnian Serb television station suddenly resumed broadcasting, using the same inflammatory tone, but it was not clear how the Pale TV signal was being transmitted or whether it would continue.

The four seized towers have been transmitting broadcasts from Banja Luka, Mrs. Plavsic's headquarters. They are far less hateful, though news programs ignore the other half of Bosnia or cover events there as part of foreign news.

Many say that democracy cannot grow in Bosnia without independent and professional broadcasting. Mr. Westendorp is proposing a transitional measure to assure nonpartisan television. He has asked the contact group of countries sponsoring the international effort to approve creation of a board of judges and journalists — part international, part local — to set editorial standards and enforce them until Bosnia creates a similar system of its own.

President Izetbegovic volunteered, in our conversation, that the Mr. Westendorp proposal "should apply to us, too." Bosnian state television is relatively mild on ethnic matters but boosts Mr. Izetbegovic's party. A Croatian-run station broadcasting from Mostar is more biased; its weather map colors the Croatian-dominated area of Bosnia as part of Croatia.

Sarajevo itself is a concrete sign of progress. There are still shattered buildings everywhere. But the electric trams are running again, and new shops open day after day, giving the city a bit of the cosmopolitan look it once had. For most people, though, economic conditions remain tough. Seventy percent rely on remittances from abroad or family members who have jobs with international organizations. Still, the mood is not dejected.

One thing seems clear: No part of this modest-sized country can attract investment — can prosper — as a separate state. That is one reason a recent rash of opinion columns in Western papers urging partition of Bosnia puzzles Bosnians. They know also that any attempt at partition would mean more war.

But the talk of partition is irresponsible for a larger reason. It would mean yielding to the most vicious racism in Europe since the Nazis, and destroying a country that is a multiethnic symbol. Why do that just when Dayton shows signs of working?

"The plan was to kill Bosnia," Mr. Silajdzic said. "That's not possible anymore."

The New York Times.

Try the Ethos of Self-Control

By Robert H. Bork

WASHINGTON — Virtuocracy — which may be defined as the bureaucratization of personal morality — is on the move again.

America has just seen public hatred of tobacco companies whipped to a fever pitch with some dubious arguments. Now it is the turn of the liquor industry. Before the nation succumbs once more, it would be well to examine the social science and raise some questions that social science cannot answer.

William Bennett recently noted that a high density of liquor stores and a high rate of crime often coincide. For that reason, he argues, the number of liquor stores and the amount of liquor advertising in poor neighborhoods should be limited by law.

Moreover, "if the liquor industry does not start acting in a more socially responsible way," he wrote, "it may soon find itself held in the same kind of esteem in which the tobacco companies are now held."

There are, it is said, only three or four arguments in the world. Two of them are, "It's a slippery slope" and, "No, it's not." In this case, the slope is indeed quite slick. After tobacco, alcohol is next on the hit list of the morally superior and the trial lawyers (two groups that are not to be confused).

Already, we are hearing that Absolut Vodka advertisements are the Joe Camels of drinking and that, since larger automobiles tend to crunch smaller ones in accidents, sports-utility vehicles are the Joe Camels of automobiles. So what will be next? Only the plaintiffs' trial lawyers know for certain.

Taken one at a time, a good case exists for banning any number of products and services. And surely there is a link between alcohol and violence. But there is also a link, as Mr. Bennett and his colleagues note, between strong community norms and the decline of both violence and drinking.

There is also a connection between police presence and the decline of drinking and violence.

Alcohol can be a serious problem. But taking away what people want because it is bad for them lets loose a principle that is hard to contain. Such a virtuocratic answer is possible to any social problem. Though Mr. Bennett is an astute commentator, not a virtuocrat, he is providing the virtuocrats a social-science cover.

This is not to say, however, that nothing can be done. I've noted that strong community norms and traditional institutions can be effective in curbing alcohol-related disorders. Of these influences, the religious institutions of a community are probably the most important propagators of real virtue — virtue that leads to personal responsibility rather than social manipulation.

John DiIulio Jr., a professor of politics and public affairs at Princeton who studied the link between alcohol and crime with Mr. Bennett, has announced that he will now spend the majority of his time working with inner-city ministers to restore to their communities the values that are now too frequently absent.

New York City, moreover, has demonstrated that effective policing can reduce crime, perhaps by almost half. These sorts of efforts are far more likely to be productive than simply beating up on liquor companies.

The United States achieved greatness by relying on individuals to take personal responsibility for their behavior, a reliance usually buttressed or inspired by religion.

As James Wilson, one of the country's premier social scientists, has observed, "In the mid-19th century England and America reacted to the consequences of industrialization, urbanization, immigration, and affluence by asserting an ethos of self-control, whereas in the late 20th century they reacted to many of the same forces by asserting an ethos of self-expression."

The ethos of self-control was inculcated by churches and by other institutions related to religion. That is why efforts to revitalize inner-city churches are so important.

To accept the virtuocratic answer to America's problems is to accept the ethos of self-expression as inevitable and beyond the people's capacity to alter, except by legal compulsion. Perhaps that is the case. But it would be better to try to inculcate morality, personal responsibility and self-control before adopting the strategy of treating adults as recalcitrant children.

Mr. Bork is the author of "Slouching Towards Gomorrah." He contributed this to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Newsman Dies

PARIS — With the death of Charles Anderson Dana a great man has passed out of American journalism. He was the last exponent of the essentially personal idea in newspaper making, and from beginning to end his newspaper reflected his personal character. The *Sun* was Mr. Dana. Mr. Dana was the *Sun*. He was not a man to change with the times or to cater to the people. He was always proud in his belief that the *Sun* represented the acme of dignified, polished journalism. He would not alter a headline to double his circulation.

1922: Harem Life

LONDON — A strange and tragic story comes from Quetta, in British Beluchistan, of a beautiful American girl who succumbed to the charm of an aristocratic and cultivated Afghan, married him, and has found life in his Moslem harem utterly impossible. Worst of all is her knowledge that by her foolhardy marriage she has placed herself outside the protection of her country's laws. Her chance of escape lies only in the purchased treachery of her native guards. If her husband refuses to renounce her, by Mohammedan law she is hidden captive for life.

1947: Sovereign Burma

LONDON — Burma took formal departure from the British Empire and Commonwealth of Nations today [Oct. 18] with the signing of an Anglo-Burmese treaty granting the country complete independence and sovereignty. Burma's history as a self-governing nation begins — or rather begins again. The country was an independent monarchy until its conquest and annexation by Britain in 1886.

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Tracking the Ups and Downs of the 'Islamic Art' Market

International Herald Tribune

LONDON — Every sector of the art market is fundamentally unpredictable because personal reactions to works of art are an essential factor in determining prices, and emotion cannot be quantified. But nowhere do attempts at anticipating events seem as futile as in the various categories from vastly differing cultures described as "Islamic art."

The difficulty in making forecasts was illustrated this week with unprecedented extravagance.

It started on Tuesday with Christie's sale in which the star piece illustrated on the cata-

SOUREN MELIKIAN

logue cover was to be a revetment frieze of turquoise glazed tiles ascribed to 12th-century Iran. Yet, in a sale that certainly registered some astonishing scores — £47,700 ($76,300) for a wine mug from the Eastern Iranian province of Khorasan dating from the early 13th century, and £54,300 for a rosewater sprinkler of similar provenance and period — the star piece never got off the ground. It was bought in at £58,000.

Were potential buyers turned off by the fact that a leading Arab collector had recently thought it best to part with it? Did they perhaps wonder about the curiously even glaze that has none of the depth one associates with early revetment friezes? Or were they worried by some strange letter forms with stalks bending incomprehensibly? We shall never know.

On Wednesday afternoon at Bonhams, surprises of another kind followed. Here too the star piece illustrated on the cover carried an Iranian label. The dish ascribed to "North Western Iran" was crudely painted with the bust of a woman looking peevish but the provenance made up for any aesthetic shortcomings. It once belonged to the late Alan Barlow, a well-known amateur scholar whose collection was published in book form. The peevish woman would have beamed at the mind-boggling £45,500 that greeted her appearance.

Why commensurate enthusiasm did not help another dish from the same workshop, decorated with a charming bird and riverside plants stylized with a calligraphic flow, remains uncertain. The colors are paler, but, properly cleaned, the dish should recover much of its original eclat. It went to the same buyer for a more reasonable £3,450. The yo-yo game went on through much of the sale with early ceramics from the 10th to the 13th century the principal victims — they were practically unsalable.

But this was nothing compared with the contrasts observed during the auction held at Sotheby's on Thursday. Like the other sessions, this sale of so-called "Islamic art" was, again, very largely a sale of Iranian art. Not surprisingly so: The most remarkable pieces were acquired by one of Iran's leading collectors in the 1970s, Hashem Khosrovani. While far from restricting his choice to Iran as such, Khosrovani aimed for top-level objects from Islamic lands and that led him to focus on the Iranian world.

Never before had a small group of nearly intact silver-inlaid bronze vessels of the late 12th and early 13th century come up for sale together. The impact was overwhelming. Two caskets, which can be shown to have royal associations on the basis of their iconography and the echo it receives in Persian poetry (the catalogue does not mention this), triggered bidding contests on a scale rarely matched on "Islamic" objects. Both went to the same telephone bidder who paid £177,500 and £166,500 — extravagant figures.

His appetite whetted, the mystery buyer apparently eager to acquire rarities posthaste, set his sights on a late 13th-century money box from Western Iran in the shape of a vase. Originally, each of its vertical facets was

Sotheby's

Portrait of a court dignitary, Georgia, 17th century.

decorated with a mace bearer, the details of the features and costume lightly incised over inlaid silver. The inlay, alas, is gone, and that *makes the price*, £37,500, astronomical.

There was more to come. Another astonishing contest broke out over late 16th-century brass vessels with engraved abstract patterns. A boat-shaped brass vessel from Western Iran of a type designed as a symbolical wine boat used by Sufi dervishes, as I have shown in the journal Islamic Art on the basis of the poems inscribed on some objects, is among the very finest known. But at £188,500 the price, which would have been high at one tenth of that amount, seemed to bear little connection to reality.

Minutes later the same hurried buyer surpassed himself, in paying £199,500 for a pillar-shaped stand for a luminary engraved with formal patterns and bands of mystical Persian verses in calligraphy that is not very good. But such large size pieces executed for mausoleums do not normally tumble onto the market. At £199,500, *it too exceeded the wildest expectations.* If metalwork caused excitement, there was no hurrah for early glass vessels. The lack of interest in it was devastating. Hardly any of it found takers.

Objects were not the only category that revealed such extreme whimsy. Two extraordinary outbursts could be observed *at Sotheby's* on Wednesday morning in the sale of "Oriental Manuscripts and Miniatures." These included one of the pages that were torn from the manuscript of the Shah-Nameh or "Book of Kings" calligraphed and illuminated for the Iranian ruler Shah Tahmasp (1524-1576) in the royal atelier at Tabriz. Intact until 1968, the book was dismembered after it passed into the hands of the late Arthur Houghton Jr., a one-time president of the Metropolitan Museum of Art and noted bibliophile. While the manuscript is easily the most beautiful ever produced under the Safavid dynasty, this particular page is among the very few that qualify as banal. Its painting is the last that might have been expected to climb to £441,500.

Equally astonishing is the £529,500 paid for what Sotheby's described as the "portrait of a European dignitary, Safavid Persia, Isfahan, c. 1660-90." The life-size painting of a standing character was obviously produced by an artist from a school that came to public attention in 1976 when a group of four paintings went on view at Colnaghi's.

These *can easily be shown to be* Georgian through details of costume matched in Georgian manuscript painting and indeed have been called Georgian by an Iranian scholar, Chahryar Adle. Sotheby's remark to the effect that the features of the character in this week's painting are "notably European" because "his eyes are blue and his mustaches fair" is simplistic — such features are not uncommon in Georgia, or elsewhere in the area. Rare as it may be, no one could have forecast the price fetched by the Georgian portrait. Sotheby's, rarely prone to undue timidity, hoped for £100,000 to £150,000.

ALL this suggests that newcomers in search of the rare or unique have entered the field. Can this level of enthusiasm be sustained? Dealers I spoke to appeared skeptical, and there are *further grounds for sharing their doubts.* The inlaid bronzes of the 12th and 13th century were all dug up and exported without licenses — they always are. All come from countries where laws passed many years ago ban commercial excavations that cause huge havoc — objects are destroyed, the archaeological context is *lost, wasting priceless historical information.*

Western opinion is becoming more hostile to such practices rightly equated in the public mind with the wanton plunder of the world's heritage. As new buyers become aware of these implications, they too will take a step back. And the yo-yo movement of prices will resume — downward.

Stanley Spencer's Mystic English Vision

By Holland Cotter
New York Times Service

WASHINGTON — The English painter Stanley Spencer (1891-1959) is best known to many people through Pam Gems's play "Stanley," which had a well-received run on Broadway last season and was based on the batty, seriocomic saga of spiritual yearnings and sexual preoccupations that constituted the artist's life.

Now the Hirshhorn Museum, *in collaboration with the* British Council in London, is offering "Stanley Spencer: An English Vision" here, the first retrospective of the artist's work in the United States.

It's a walk-don't-run experience, too offbeat and contrary to be greeted with a wide-armed embrace. But there is no question that it is an experience. And one as distinctively English as the taste of Marmite on toast: piquant, off-putting, slowly (if ever) acquired, but certain to make an impression.

Spencer's life and art are intertwined. He was born in the idyllic village of Cookham in Berkshire, 30 miles from London, the son of a church organist. Emotionally fixated on his childhood, he seldom left home willingly, and but for the intrusion of a *marital misadventure and two* world wars, might never have done so at all.

He appears to have regarded Cookham as a kind of Thames-side nursery, comfy and snug, a domesticated version of Paradise. Here, in his mind, the clock forever chimed teatime;

Leeds Museums and Galleries

Detail from Spencer's "Hilda, Unity and Dolls."

archangels and shopkeepers rubbed shoulders in the marketplace; apocalyptic occurrences came and went with the inconsequential delight of holiday pantomimes.

But infancy is a selfish condition, and Spencer was rough on the people around him. He divorced his first wife to marry his second, all the while wondering why, why, why he couldn't just have both at once. In thrall to the erotic as a visionary ideal, he planned to build a "Church House" in which *painted portraits of all the* women he fancied would hang like cult icons in a shrine resembling Giotto's chapel in Padua.

This peculiar brand of hormonal mysticism informs much of Spencer's figurative art, and at the center of the picture, naturally, stands the artist himself: a priapic Peter Pan (he was 5-foot-2) in a Dutch-boy haircut and undergraduate tweeds.

One of the earliest paintings at the Hirshhorn, in fact, is a self-portrait, painted in 1914 when Spencer, 23, had just graduated from the prestigious, conservative Slade School in London. He peers out from a shadowy background, chin slightly up, eyes wide, hair brushed over his brow, his face wearing an expression of confident but impassive guilelessness. It's a striking image, one that vaguely recalls the 1827 self-portrait of another English artist, the 22-year-old Samuel Palmer. Palmer and other painters of visionary bent, from William Blake to the Pre-Raphaelite William Holman Hunt, influenced Spencer profoundly, and it is with them that he must, in some way, be grouped.

Like Palmer, he painted pantheistically vibrant landscapes. (Spencer's "May Tree" is a descendant of Palmer's refulgent "Shoreham Garden.") And like Blake and Hunt, he painted New Testament scenes and religious allegories rooted in the everyday.

Such narratives are among the 64 paintings in the Hirshhorn show, which has been organized by James T. Demetrion, *curator at the museum*, and Andrea Rose, curator for the British Council.

The show will travel to Mexico City, and San Francisco.

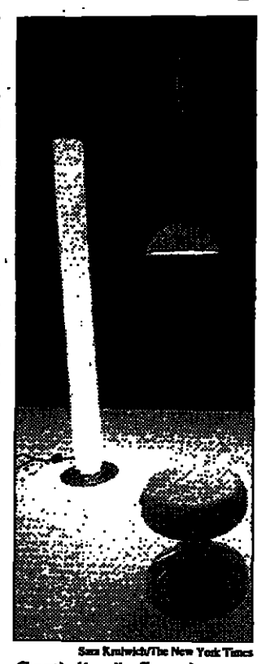
Exploring Italian Design With Achille Castiglioni

By Herbert Muschamp
New York Times Service

NEW YORK — The Museum of Modern Art is hanging out the red, white and green with a wonderful arrival from Italy: "Achille Castiglioni: Design!"

One of the great Italian explorers, a tireless discoverer of beauty in the *commonplace*, Castiglioni, along with his brothers, Livio and Pier Giacomo, helped pioneer the 20th century's most vibrant movement in design. This beautiful retrospective of his work should stimulate fresh thinking about a time and a place and the artists who captured them in designs for living.

Organized by Paola Antonelli, an associate curator in the museum's Department of Architecture and Design, "Design!" is a profoundly inspiring homage to a great living artist. At age 79, Castiglioni remains as active as he was in the years before Italy had begun to tickle the design world's erogenous zones. Though the great days of the Milan Trienalle are long past, Castiglioni, Marco Zanuso and Ettore Sottsass continue to produce important work. Castiglioni helped Antonelli design this show, which invites the viewer into major living-maestro time. And the show delivers jolts as electrifying as the transformers Castiglioni has often incorporated into his lighting fixtures. The



Sara Krulwich/The New York Times

Castiglioni's floor lamp, hanging lamp and stool.

first display you encounter on walking *into the* gallery is a vitrine filled with odds and ends: old shoes, a fisherman's knife, a metal mesh glove, a frightening pair of plastic goggles.

Castiglioni designed none of these objects. His eye picked them out. Castiglioni's work, that is to say, is based as much on perception as on creation. Or, rather, it points toward perception as a continuously creative act.

Turn the corner, and you encounter an object that brightly illuminates the Castiglioni point of view: the Toio lamp, designed in 1962. It features a car headlight, mounted on a tall, slim, chrome-plated pole. The wire leading to the bulb runs alongside it, through a series of metal fishing pole loops. It's a slender, Promethean statement: Fire had to be caught. The base of the lamp is weighted with an exposed electrical transformer: It took a while for civilization to transform fire into the kind of light that those of us with less than Promethean stature can activate with a switch.

The Toio illustrates Castiglioni's delight in the beauty of found objects. He is the greatest living proponent of what Le Corbusier termed purism: the idea that the artist has much to learn from objects that have attained a level of aesthetic simplicity through methods of industrial production and generations of use.

ARTS

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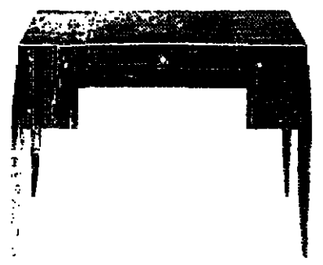

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BOOKS

ROAD KILL

By Kinky Friedman. 252 pages. $23. Simon & Schuster.

Reviewed by Jonathan Yardley

THIS funny if somewhat sophomoric novel may be of greatest interest to admirers of Willie Nelson, among whom I count myself. Readers of Kinky Friedman's *previous books will be aware that* they center on a "country singer turned private investigator" named Kinky Friedman; in actuality as in fiction, Friedman once led a band called the Texas Jewboys. This time around, he finds himself on the scent of what appears to be a threat upon the life of his friend and soul mate, Nelson.

Whether the manuscript of this book was read and approved by Nelson — the real Nelson, that is, as opposed to the invented one who appears in these pages — is not clear, but he cannot have any reason to disapprove of anything here. Friedman's portrait of him is affectionate and seems, to one who knows Nelson only from his music and his public persona, to be accurate.

Thus we have him warts and all: his notorious taste for cannabis and his runins with the Internal Revenue Service, but also his geniality, his laid-back, half-baked Zen and, above all, his utter commitment to the music that is, "quite simply, the language of his life." As Friedman describes Nelson in performance:

"The main thing, the only thing, was that Willie was playing his music. According to Willie, he'd been on automatic pilot for about thirty years now, yet, as far as I could see, in a trivialized, homogenized, sanitized world of chain stores, chain restaurants, and chain people, he was one of the few individuals who was still in tune and in touch. Willie was a life spirit and his guitar was strung with rusty heartstrings that over the years had almost magically brought *love into people's lives.*"

Treacly, perhaps, but true. Willie Nelson is a national treasure, and he gets his full measure of tribute at Friedman's hands. As to the rest of the book, it begins with Friedman, in New York, gazing into his mirror of a morningand finding not his own reflection but a Gypsy who says, "Come away from there. Come travel the world with me." Friedman interprets this as a sign that something out there is beckoning him. That something turns out to be Nelson. So Friedman flies to Texas and climbs aboard Nelson's tour bus, the Honeysuckle Rose, which "becomes a floating city unto itself." Nelson actually has three buses, but "there is no truth to the widely held belief that he needs the other two buses to carry all the weed he smokes on the first bus."

Off they go, on the road, which "had a way of killing you so slowly and subtly that after a while you didn't even know you were dead."

Literally dead, as Friedman soon learns, *in the case of a hapless Indian* whom the bus hit and killed a while back in the Arizona desert. Nelson doesn't talk much about this unhappy event, but it clearly has *spooked him and it leaves* his sister, Bobbie, with the apprehension that "something terrible's going to happen." Then, just like that, Nelson vanishes. "Obviously," Friedman concludes, "he was either laying low or taking things into his own hands." *Friedman decides* he'd better get on the case.

Theories abound. A cabal of Nelson's many ex-wives? An "Indian curse"? With all the "dark spaces in Willie's chess-and-checkered career," it could be anything: "Maybe a jealous boyfriend or husband was involved. Maybe another long-ago songwriter who was down on his luck and felt Willie had stolen his material. That happened a lot in Nashville back in the symbiotic old song-swapping days. Maybe a disgruntled postal worker had *gotten his* zip codes mixed up. Maybe some fan had just overidentified with his field of study. Maybe some guy had a few too many birds on his television antenna. Maybe the whole situation was like Willie's song. Crazy."

Precisely how crazy *is, at this point,* no longer the proper business of a review. Read "Road Kill" for yourself and find out what happens. It seems rather fanciful and foolish to me, but then serious business isn't Friedman's stock in trade. His business, rather, is entertainment, and at that he can be skilled, if a trifle broad. He managed to make me laugh out loud a couple of times, and after more than three decades of reviewing books, some of which purport to be funny, my level of resistance is exceedingly high. Any *writer who can* overcome it deserves a word of thanks.

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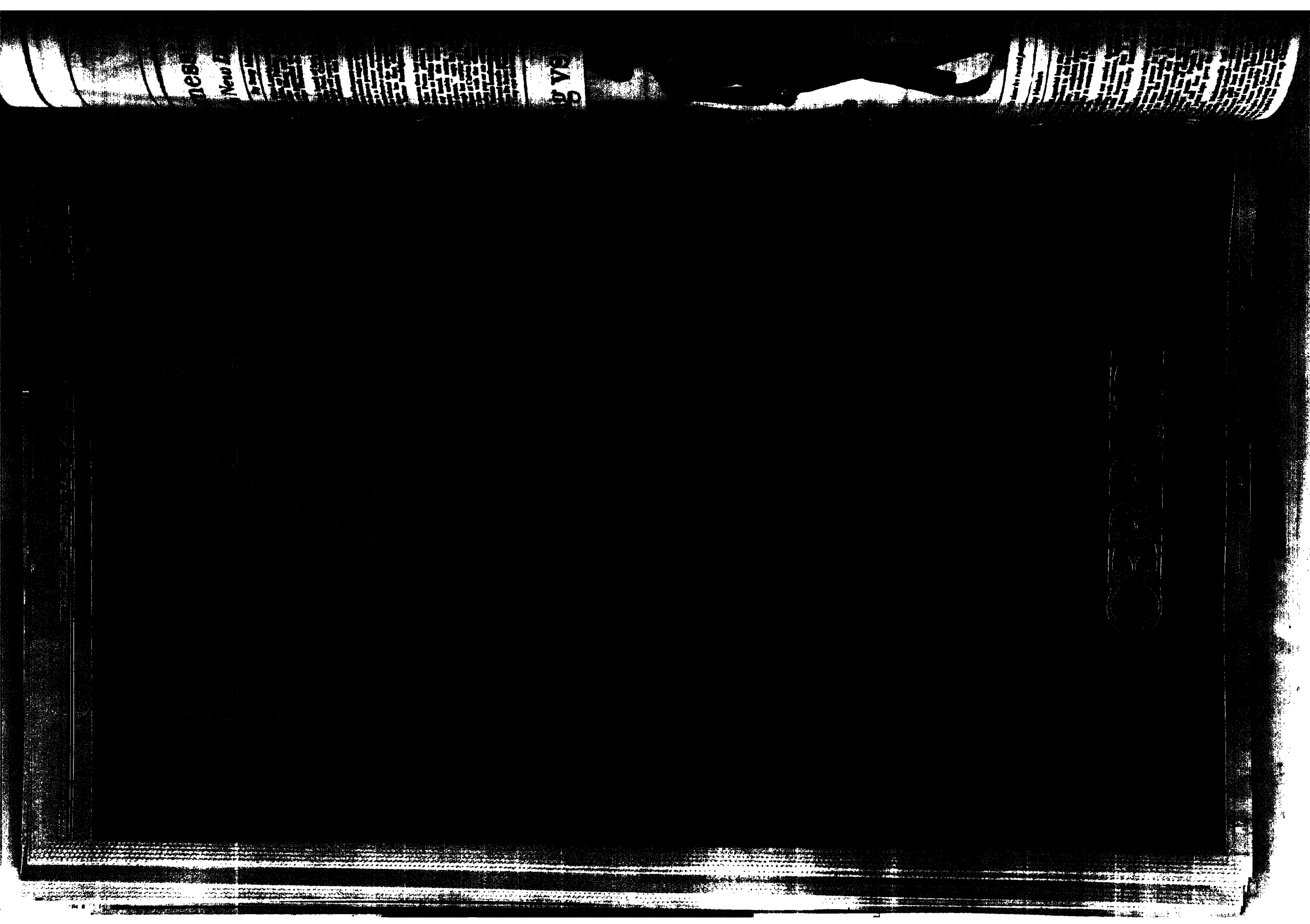

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Fashion

Harnessing the Headhunters

Need a New Designer? First, Call a Talent Scout

By Suzy Menkes

PARIS — When Lanvin announced its new designer, Christina Ortiz, on Friday, and when applause rang out for Alber Elbaz and the renaissance of Guy Laroche, one powerful woman deserved the credit for pulling the strings: Floriane de Saint Pierre.

Who?

You may not have heard of her, but if you were Bernard Arnault, Gucci's Tom Ford, Calvin Klein or Valentino, the name would trip lightly off your tongue. For De Saint Pierre is the leader in a profession that is defining fashion in the 1990s: headhunter.

With old established houses needing a transfusion of fresh talent and corporate brands eager to expand, the headhunter is a speedy way to access potential candidates.

De Saint Pierre is a former executive of Dior who now runs a business as exclusive as the luxury products her clients sell. She was also behind the appointment of Peter Speliopoulos, who shows his first collection for Cerruti on Saturday (after Narciso Rodriguez, a previous protégé, bowed out).

More significant even than her rising stars are the myriad talents that De Saint Pierre places anonymously in the studios of major houses in Milan or on Seventh Avenue.

"Today, for any brand, the most important thing is creativity in its most noble sense — who the designer is becomes a crucial choice," says De Saint Pierre, who had tracked Ortiz through her career at Prada, just as she had truffled out Rodriguez at Calvin Klein.

Head-hunting starts with the client — maybe a fading couture house needing pep or an established designer starting a junior line. Fashion headhunters claim that clients can rarely articulate their real needs and that is where an intuitive skill is required. Or as De Saint Pierre puts it: "I don't work with partners — it's my eye that counts. That's how I know if a designer is ready, or whether they want to come to Paris or live in New York."

Another Paris headhunter is Marie-Laure Tine, who heads the fashion division at the management consultancy Heidrick & Struggles. She has worked on recruitment for Pierre Berge at Yves Saint Laurent, for Chloe and for the LVMH Moet Hennessy Louis Vuitton group. Tine says that fashion headhunters have emerged since the corporate takeovers in the 1980s, and the expansion of newly public companies.

"The idea is to match a product portfolio to the image of the creator," explains Tine. "But finding the designer is not a one-step process, like recruiting a finance director — you don't ask for a degree in three languages."

In order to find a good fit for clients like Genny in Italy, or Escada, Rene Lange and Jil Sander in Germany, Tine will immerse herself in the culture of the company, and then assess the prospective candidates.

"But the choice is our clients' responsibility," she says. "I introduce the best and they make the decision."

The Brit/fash takeover at Paris houses has drawn attention to Anglo-Saxon creativity. But in London, Joanna Neicho and Julius Schofield, partners in Indesign, have been working as a recruitment agency for 20 years. Their current client list spans from Marks & Spencer in Britain to Donna Karan in the United States. But their focus is on the appointees.

Neicho shows 4,500 files on designers, some of whom have been placed three or four times over 20 years. "We never solicit business," says Neicho. "We try to find out what the company is about and who the players are."

Schofield calls the role of headhunter in fashion "a completely new profession," but he has been talent spotting at British fashion colleges from the outset. Indesign's illustrated report on the art school shows — the 26th issue — is a fascinating document assessing the upcoming talents.

"The idea is to harness design to companies," says

Continued on Page 13

Floriane de Saint Pierre, a former Dior executive and now a leading fashion headhunter, in her Paris office.

Lang vs. Chanel Played Out in Black and White

From left, Chanel's slouchy tweed pantsuit with sparkle bangles and beret; Helmut Lang's tailored blouse and airy layered skirt with hip sash, and John Galliano's Ikat-weave jacket and patterned flirty-hem 1930s' skirt.

By Suzy Menkes

PARIS — Karl Lagerfeld lost the waist at Chanel. The question is: did he also lose the plot? A pretty, confident show from Helmut Lang and confusion at Chanel made a fascinating study in contrasts at Friday's spring/summer shows.

Both designers spelled out similar themes in black and white, playing with volumes, lightness and masculine versus feminine. But it was Lang's show that seemed clearly focused on fashion's way ahead.

In fact, it was difficult to know what was going on at Chanel. Like moving pieces in a manic draughts game, out came the models, in black and white with the occasional dot of bright purple shoe. Here a jacket swinging open over bare flesh, there a playsuit, lots of slouchy seen-here-on-other-runways pants. French berets, thistle-stripe knits and fine silver chains threaded through jacket hips gave the faintest echo of Coco Chanel.

But the Grande Mademoiselle had faded away, leaving hardly a logo behind — except for her name, woven into gold knit dresses or the double Cs at the breast of a satin top, worn with a light ruffled skirt. That was a rare chic outfit in the strange show, where sparkly bracelets or chunky silver bangles were the new jewels and hair looked like unraveling Medusa dreadlocks.

Now that Lagerfeld has given up Chloe and his own line, everyone expected a new distillation of his magical potion at Chanel. But instead of cleansing his design mind, the show, divided into six separate scenes, seemed to have vacuumed up every spare idea.

At the heart of the show was a clear message: lightness.

"Loose and skinny is better than not skinny and squeezed — and everything is so light," said Lagerfeld backstage, to explain the bantam-weight dresses in boxy shapes with the waist either raised or dropped 1920s style at the hips. Sometimes T-bar tap shoes added to the flapper girl impression. Chemise dresses in the texture and color of porridge looked like sad sacks.

The oversize tweed pantsuits may have been big enough to house front-row guest Gerard Depardieu, but they followed the theme of July's Chanel couture and had a sporty dash. Paradoxically, evening wear stole the show, with elegant linear shapes, even though Lagerfeld did his best to hide their light under a bushel of a feather bonnet.

The whole show suggested that the designer was trying too hard to be "different," or "modern," although in his mastery of technique that makes a black dress a whisper of light layers, he has a chance to score over fashion's new arrivals.

The end of the show — tweeds as light as thistledown in bright color mixes — captured the Chanel spirit and looked like it should have been the show's jumping off point.

Why did Lang's show seem by contrast so assured, sophisticated and comprehensible? Here was a designer mixing elements of masculine and feminine with ease and grace. Freshness was the key, as white cotton tops or simple shirts were balanced with strong, modern pants, or lightened with featherweight skirts, made from airy ribbed nylon, or even cobweb knit. But like all genuinely avant garde designers, Lang has now abandoned sheer clothes for light layers that suggest the female body shape without revealing it in a vulgar way.

Eroding the line between male and female clothes, Lang showed both. He started with short cotton coats over pants. In white, they could have been lab coats. But a garland of fabric flowers at neck and hips might hint at a modern femininity. A narrow knitted strip or a designer's take on the Japanese obi sash were other hip belts. And below them, the meringue light skirts and mille-feuille layers were folded into unpressed pleats, their volume artfully balanced by the lightness.

All this was shown in an easy way with canvas karate shoes (black with white sole). They went even with fairy-like evening dresses, which were either a loose A-line shape or made out of lattice of ribbons. Some were reminiscent of Comme des Garcons (an influence on many runways). But Lang made original effects, like the pretty skirt caged under a long cardigan. The feather crown that came out near the end should have been the designer's victory wreath.

John Galliano's show was the usual high camp romp — a 1930s upper-crust tea party, where the models twittered among the audience, passing cookies, perching on the antique furniture and acting like the Earl Grey was laced with gin.

And what a place the designer-dreamer had found to camp in! The chandeliered Chateau de Vincennes, dolled up with needlepoint couches, velvet drapes and a harp. Among them, the soaring white feather hats and slinky dresses looked right at home.

So no change at Galliano then? It seems mean-spirited to complain that such a delicious decor and such magical clothes have become commonplace. For the clothes were beautiful, and new in execution, if not in spirit. The designer had taken a Southern Baptist theme of two years ago and reworked snowy broderie anglaise dresses in lacy white stitches. They slinked down the body, some with an insert of sheer fabric across the thighs, which is a Galliano staple, another with a flutter of embroidered butterflies and rosebuds on a gauzy bodice.

New was a colorful ethnic theme, as though the merry band had returned from the colonies with piles of beads and bales of Ikat fabric, made into cute 1930s dresses flipping out to a sophisticated length below the knees. The flame-stitch patterns in purples, blues and yellows also came on tiny jackets and even patterned knits or dainty shoes.

How one longed to see them *not* as period pieces — without the Marcel-waved hair, the long cigarette holder or the swooshing doge coats that inevitably came out over Galliano's signature bias-cut dresses, as though he can't keep his hands out of the trunks in the attic. For at the heart of the show was a sharp, sexy, modernity. And La Vie du Chateau has nothing to do with that — nor with women's real lives.

SUZY MENKES is fashion editor of the International Herald Tribune.

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Young Upstarts Reinvent French Style

In Melting Pot of Parisian Art World, Designers Gain Inspiration

By Rebecca Voight

PARIS — Thanks more to a kick in the pants than a monetary upturn, the Paris fashion scene is pulling out of its sleeping beauty mode at last.

Creative upstarts are reinventing French style in new stores and magazines through design competitions and, of course, clothes.

What unites these fresh enterprises is the classic Paris combo of style and art, with a focus on exceptional fashion.

Colette, on the Rue Saint Honore, got the ball rolling when it opened last spring. The 700-square-meter (7,500-square-foot) multilevel complex billed as "Styledesignartfood" is a retail hybrid. The downstairs café, combining delicacies culled from the best caterers in Paris and a worldwide selection of mineral waters is packed, and arriving early with an invitation is the best strategy for the in-house photo gallery's monthly private viewings.

Although the ground floor is filled with personal high-tech gadgets, pricey sneakers, beauty and design, Colette's main occupation is fashion for men and women.

The lineup is international and includes both old guard and new: Fendi and Pucci, Antonio Berardi, Alexander McQueen, and the American designer Todd Oldham.

From France there are hand-knit cashmeres by Lucien Pellat-Finet, sleek Parisian tailoring by Jerome l'Huillier, little black dresses by the Paris-based Belgian Josephus Thimister, limited edition accessories by Bless sold in plastic packets at the store's bookshop and eerie chic from Jeremy Scott, an American in Paris.

With a few deft cuts, and an extra sleeve, Scott, 24, transforms the classic hooded sweatshirt into something otherworldly.

His first collection of intricate draped and patched dresses and tunics in industrial materials, fishnet and raccoon tails won him a French fashion Venus award, a prestigious spread in French Elle and a London Sunday Times cover.

20/20 Vision, a recent show at Colette, featured Scott's clothes viewed by photographers who caught his uneasy mood.

After rigorous construction training in the fashion department at the Pratt Institute in New York, Scott says he was drawn to the cultural atmosphere of Paris.

"This city is a melting pot, and I'm a mix of many things. I don't think my clothes would be understood as well at home as they are here."

Nearby, the style mecca Maria Luisa on the Rue Cambon is full of big names and more news than ever.

At the end of the year, Maria Luisa Poumaillou will open two new shops on the same block for menswear and accessories designed by Laurent Buttazzoni, who is responsible for the decor in John Galliano's Paris showroom.

"France is always the first to understand fashion talent," says Poumaillou, who freely mixes big names like Jean Paul Gaultier and Martine Sitbon with upstarts.

Young Parisians here include Eric Bergere and Christophe Charon, who designs sharp-edged evening dresses. There are leather jackets as supple as shirts by Loanna Haseltine, and the denim and sequin concoctions of Gaspard Yurkievich, winner of this year's Festival International des Arts de la Mode design competition, held in the southern French town of Hyeres, which has launched talents like Xuly Bet.

Poumaillou's latest discovery is Massimo Matteti, an Italian based in Paris, who fashions slinky evening tank dresses and cardigans out of stocking-fine Lurex and has invented a fringe stripe in cashmere for next spring's most snobby threadbare look.

ALTHOUGH Mattetti's designs are produced at an Italian factory, he works here.

"Milan is too serious and Rome isn't serious enough. I began my career in couture with Balenciaga and Lanvin, but my passion is ready-to-wear," Mattetti explains

"Paris is beautiful, but it's also real."

For young French designers like Jerome Dreyfuss, 22, currently working only on special orders in the Bastille before he presents his first formal collection next March, Paris is a crossroads.

"I ran away from French fashion school to work for Galliano, where I finally learned something," he says.

The young designer whose sexy jackets are a zigzag of delicate seams and jeans, mixing a curvy toreador cut and whimsy, has been adopted by the British fashion stylist and Pygmalion, Isabella Blow, and his financial partner is Indian and based in London.

Young French fashion is alive and kicking particularly in print.

Two new Paris-based magazines, Purple Fashion and Self Service — both printed in French and English — feature the intimate work of top young photographers like Terry Richardson, Nathaniel Goldberg and Mark Borthwick.

Sized like a pocket agenda, the biannual Purple Fashion is part of a group of Purple magazines including Prose, Fiction and a new title, Purple Sexe, which contains erotic writings and photos.

Purple Fashion's itinerant curators, Elein Fleiss and Olvier Zahm, put designer clothes, photographers and artists together and encourage them to work beyond seasonal fashion trends.

Clothes by Hussein Chalayan, Helmut Lang and Martin Margiela are featured currently with a series on public housing high-rises in Helsinki and a Marcelo Krasilcic fashion spread starring Barbara, a 73-year-old aerobics instructor immortalized in her own wardrobe.

Self Service also leaves its pages open to photographers although "it's not carte blanche," stresses 29-year-old Ezra Petronio, the editor in chief, who is an American raised in Paris.

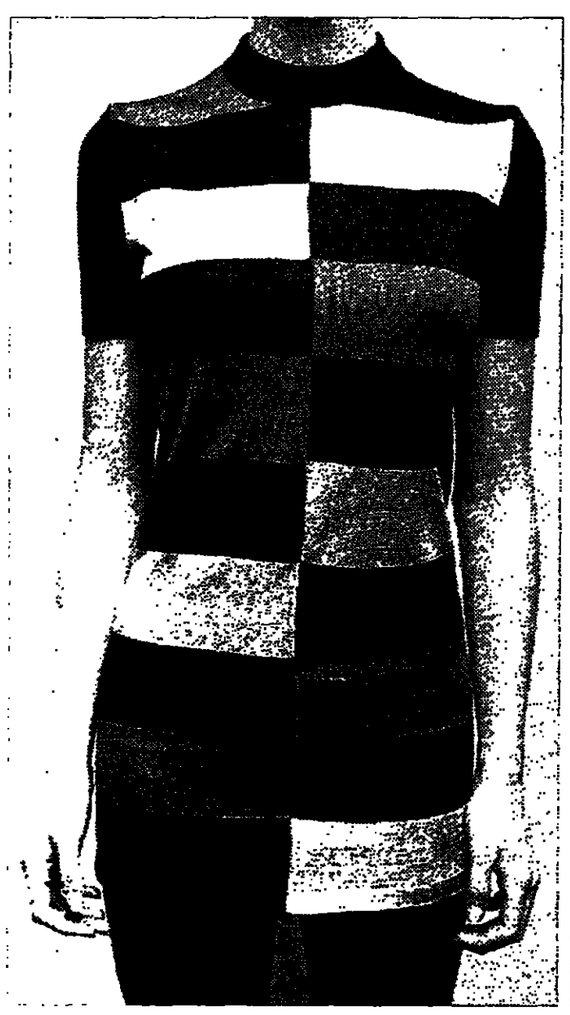
He started the magazine, which publishes every three months, two years ago with Suzanne Koller, a fashion stylist.

"It's a selective network," says Petronio, of Self Service, Work In Progress, the related art direction studio, and new Self press office.

"We're defending what we like and experimenting. It's by and for a new generation in Paris and beyond."

REBECCA VOIGHT is a journalist based in Paris who specializes in fashion.

Stuart Goldenberg/Self



Marcus Maes, Arnaud Beni, Inez Van Lamsweerde and Vinoodh Matadin

Top left, Dreyfuss creation; bottom left, dress by Scott; center, a Mattetti design. Right from top, Jeremy Scott, Jerome Dreyfuss and Self Service cover.

It's Official: Shopping Can Be Good for You

By Roger Tredre

LONDON — Whoever said money can't buy happiness didn't know where to shop — a sentiment close to the heart of every fashion professional.

Shopping is fun. Sometimes (and here's an heretical thought), it's more fun than watching the collections on the Paris runways. See that fashion editor slumbering behind her dark glasses in the front row? Watch her come alive in 20 minutes time when she high-heels it down the Rue Etienne Marcel, credit cards held aloft, in the headlong rush to spend, spend, spend.

When we shop, we look at the clothes we want to look at. And runways? Well, let's be frank: there's no escape once the lights go up.

That shopping is a pleasurable activity bringing comfort to women the world over sounds like common sense. But it's only relatively recently that academics have begun to take this at face value and explore the individual experiences of shoppers.

Researchers on both sides of the Atlantic are approaching the study of shopping with a new sympathy. Out goes cold analysis with its emphasis on number-crunching and marketing jargon. In comes a new "people-friendly" tack, with academics trying to understand consumers as individuals.

Helen Woodruffe, lecturer in consumer behavior at Britain's Lancaster University, spends her time interviewing "real" women about their shopping habits. Her long-term goal is a national study of comfort shopping — that phenomenon where women go out to buy a new outfit after a bad day at work or a dispute with their husbands or just when they're feeling down.

"Shopping can be a very positive force in women's lives, and it's important we recognize that," she says. "Whenever I lecture on the subject and ask if anyone has shopped to make themselves feel better, virtually every woman in the audience puts her hand up."

Woodruffe should know. She began her research in 1993 after years of indulging herself in both comfort shopping and comfort eating. "I still do comfort shop. Let's face it, life wouldn't be worth living without it."

Her biggest ambition? To write a case study on the Duchess of York, who once memorably described herself as "the impulse buyer incarnate." "Fergie would be fascinating," Woodruffe says. "She's a textbook case."

Woodruffe claims a key element of comfort shopping is spending more than you ought to. "It's a bigger thrill when you can't really afford to buy something — the thrill of forbidden fruit."

The British designers Suzanne Clements and Inacio Ribeiro, who are selling their collection this week in Paris from a suite at the Hotel Costes, agree. "It has to be expensive," Ribeiro says. "It's like rewarding yourself for all the hard work, all those missed weekends."

The couple, who are married, pop out for a spot of comfort shopping along the Rue Saint-Honore whenever they can squeeze a moment between buyer appointments. "I bought another pair of shoes yesterday," Clements admits. "I don't need them. I've got 30 already."

For Clements, the thrill is in the purchase. "Buying can be more fun than owning. A pair of shoes is never more perfect than when it's in the shop."

Shopping is also social. The giant turn-of-the-century department stores opened in Paris, London and New York were places where women could meet without suggestions of impropriety. The spate of modern retailers opening coffee bars or restaurants within their stores is a reaffirmation of a century-old phenomenon.

Academics make a distinction between the majority of women, who recognize comfort shopping as a regular or occasional emotional need in their lives, and a minority who are seriously addicted. "It's like the difference between enjoying the occasional chocolate bar and binge eating," Woodruffe notes.

Shopaholics need help and counseling, although even here academics are revising their opinions. Self-help groups established on both sides of the Atlantic in the '80s tended to see the lure of the designer fashion store as an evil, urging members to cut up their credit cards.

The modern view is that shopping addiction is symptomatic of deeper problems. The buzz of buying may provide temporary relief from depression, although it is followed by feelings of guilt and regret.

There is also a physical thrill to shopping. As many as 45 percent of shopping addicts interviewed by researchers at Oxford University's School of Management Studies admitted that they were unhappy with the sex side of their personal lives, compared with 14 percent of "normal" shoppers.

This research confirms what popular novelists such as Judith Krantz have been writing since the '80s — that shopping and sex are inextricably linked, with the former serving as a substitute for the latter.

The problem in the late '90s is this: with runway shows running from 9 in the morning through to 11 at night, no one in the fashion biz has much time for either shopping or sex when in Paris. Now that's what we call a real fashion crisis.

ROGER TREDRE is fashion-features writer on The Observer.

Paris Breaks Out in Fin-de-Recession Burst of New Clubs and Shops

By Alicia Drake

PARIS — Just over a year ago, Frank Besegher was working as an undertaker at the Pere Lachaise cemetery. Now he owns a tiny and kooky cafe, Le Denicheur, where you can buy not only a goat's cheese and basil omelette, but the chair you're sitting on or the plate you're eating off.

Besegher's radical career change came about because he was sick of his job, adored flea markets, and, as he explains, "There were so many things I wanted to do with my life that one day my head just exploded. I broke my piggy bank and scraped together my cash." With 50,000 francs ($8,500), he transformed a former tatoo parlor himself by laying a mosaic floor, painting the walls scarlet, building a kitchen and equipping the place with his flea market finds. Now on a Saturday afternoon, the café, at 4 Rue Tiquetonne, is hopping with rappers and Nike-shod shoppers.

It's offbeat, a little raw and a good example of the first green shoots of fin-de-recession happening in Paris. For so long this city has been mired in economic despondency, while its social life has been through a bout of grim depression. In addition, ever since the Eurotunnel opened in 1994 and Parisians have been able to dash to London and witness firsthand a city hell-bent on consumption, they have been suffering from chronic envy.

Now at last a few Parisians are turning entrepreneur: a gallery opening here, a boutique there, a sleek hotel health club and a traditional restaurant saved from being turned into a sandwich shop. It's not that the economic situation has eased, probably more a case of the only way is up.

Next week's opening of 213, a contemporary photographic gallery, bookshop and eclectic boutique will bring a frisson of excitement to Montparnasse, a neighborhood long bubble-wrapped in nostalgia. It is the idea of Marion de Beaupre, a major fashion photographic agent who has represented such photographers as Peter Lindbergh and David Sims.

Paolo Roversi

Marion de Beaupre, the vision behind 213.

After some 20 years as an agent, she is pairing her stable down to one photographer, Paolo Roversi, in order to concentrate on 213. "I think it's hard for young photographers to find somewhere to show in this city. I want to use 213 to discuss, discover and nurture the new young talent," said De Beaupre. The gallery, at 213 Boulevard Raspail, opens Tuesday with an exhibition of Mario Sorrenti's personal work on the theme of sexuality.

On the ground floor is the library/bookshop, once the dining room of the 1920s artist hangout, Le Duc Boubet, which still has the curving, swerving Belle Epoque wood paneling. The fashion hairstylist Julien d'Ys has been let loose with a paintbrush to create a fantasy ocean world of mermaids, sirens and cornucopias.

Also on the daring side, the shoe designer Christian Louboutin last week flung the doors open to his second Parisian boutique, 38-40 Rue de Grenelle. Louboutin chose the location on the "North African souk principal," that is he wanted a shop on *the* shoe street of Paris.

And his choice of timing? "I've always believed in the inverse calculation of recession," said a cryptic Louboutin, "By that I mean to benefit from the end of the recession, you've got to be there and selling before the recession ends."

Six months ago when Mark Williamson discovered that the 19th century, one-star Michelin Mercure Galant was about to fall into the hands of a fast-food sandwich chain, he decided to buy the restaurant himself. "I would never have done it in this economic simation had I not been tenacious and a little foolish," admitted Williamson.

The restaurant, located just behind the Palais Royal, closed its doors as the Mercure Galant at the beginning of August. Williamson kept the original staff, took the menu 20th century, reduced prices and reopened only three weeks later as the Maceo, at 15 Rue des Petits Champs. The scene is now bistro and buzzy with the chef Jean-Paul Deyries serving an 185-franc lunch menu and 220-franc dinner.

True, the decor is still a quirky mixture of dusty leather banquettes, grand chandeliers and fresh paint, but Williamson points out that the place is far from finished. "I've only done about a fifth of what I want to do," he said, "but there's no point me staying closed and saying sorry I haven't got my bar stools. I don't even feel embarrassed about it. You certainly couldn't do that in New York or London, but that's just the reality of life today in France."

Those saviors of Parisian social life, the Costes brothers, have just opened the basement health club to their Hotel Costes at 239 Rue Saint-Honore. The decorator Jacques Garcia's health club vision is a lot more exotic than your average gym. The lighting is sullen, there are beaten silver doors, mosaic *hammams* and burning musk candles.

ALICIA DRAKE is a fashion and style writer based in Paris.

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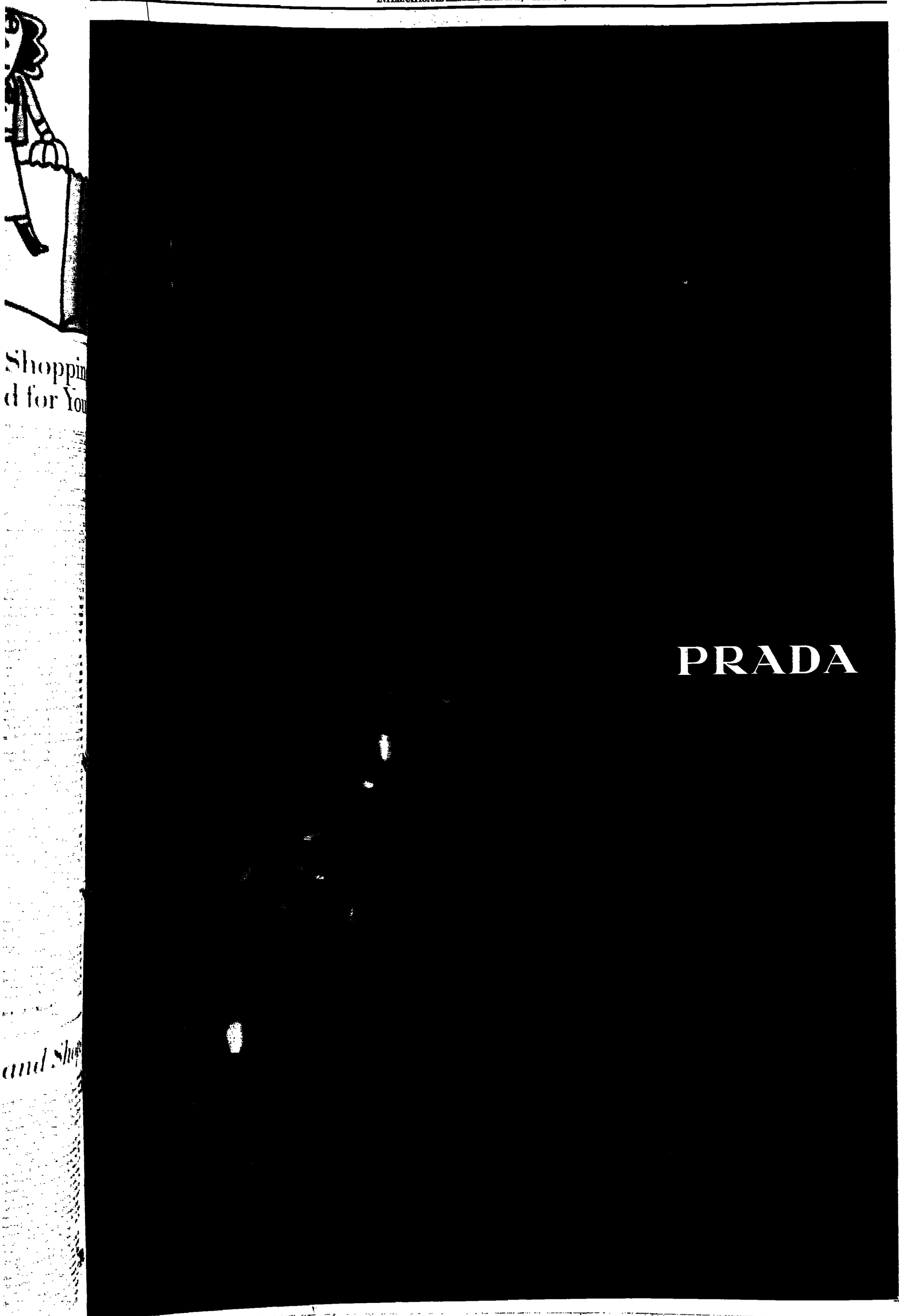

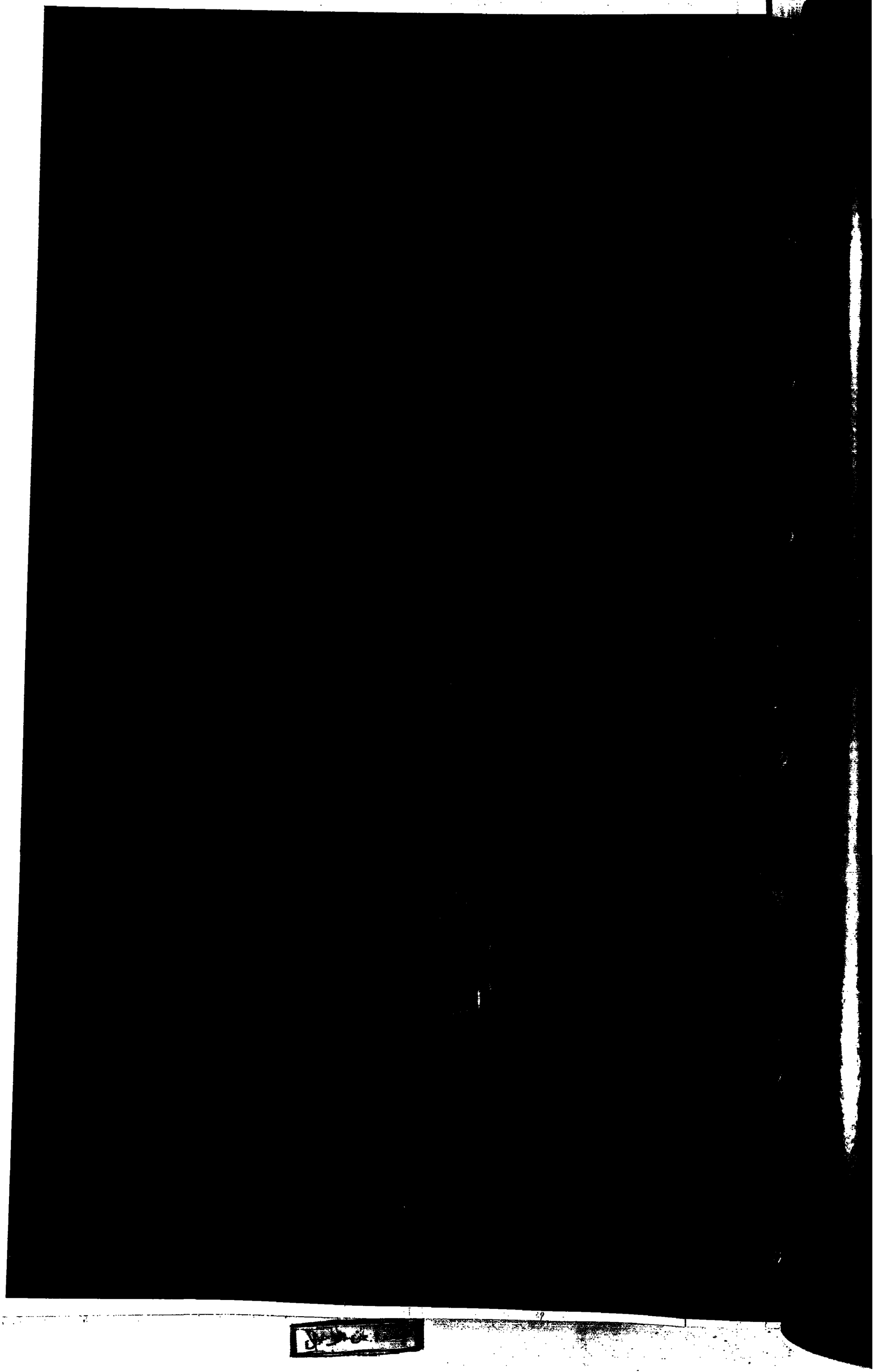

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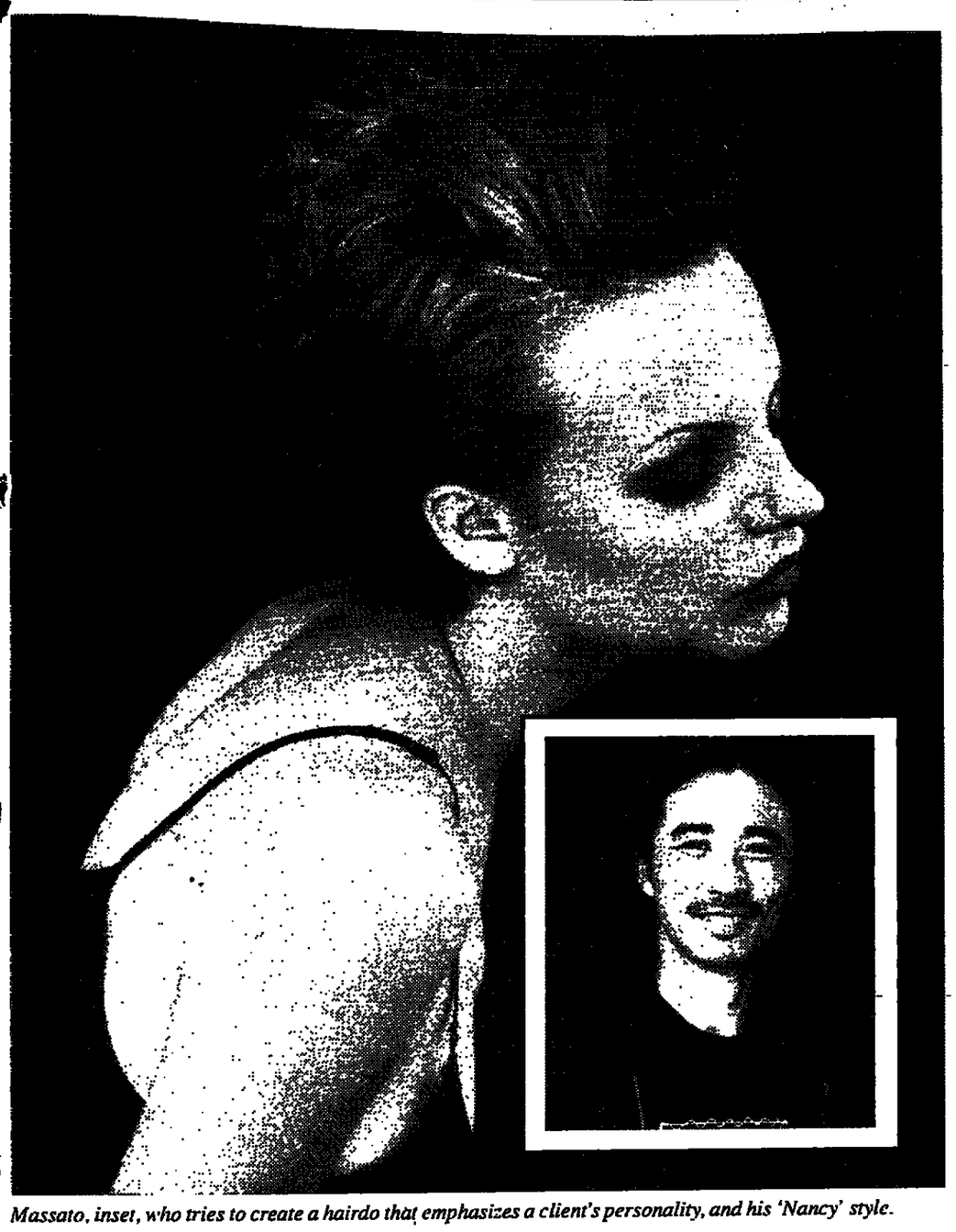


Massato, inset, who tries to create a hairdo that emphasizes a client's personality, and his 'Nancy' style.

The Hands That Mold the Hair

With a Snip of Scissors, Stylists Make Their Mark

By Michele Loyer

PARIS — As every designer knows, it's not just the clothes that make or break a show. The hairdos are just as much a part of the fashion message, and their creators — the little known hairstylists working behind the scenes — are increasingly gaining recognition.

"I expect complicity from a hairstylist," said Christian Lacroix, who for more than 10 years has worked with the hairstylist Daniel Frenna. "With his technique, he should be able to project my ideas."

The most creative hairstylists can't be found in the telephone book, and only a handful of movie stars, top models, fashion photographers and couturiers know them.

What distinguishes them from the run-of-the-mill variety? Technique, technique, technique.

"A good hairstylist must be able to do anything on any type of hair and work very fast," said Marie-France Thavonekham, who operates Marie-France, one of the handful of Parisian agencies that supplies hairdressers and makeup artists for fashion shoots and runway shows.

In a male-dominated world, one of the rare female stylists to make it big is Odile Gilbert, a Briton who created spectacular hairdos for Karl Lagerfeld for Chanel and John Galliano for Dior couture shows in July. She stands out as a rising star, combining flawless technique with great creativity.

Gilbert, 39, started in Paris with the hairdresser Bruno Pittini, then went to New York for seven years as a studio hairstylist, becoming a favorite with top-notch fashion magazines. Today, she keeps her base and her studio in Paris but commutes regularly to New York.

Although she had a six-page spread in a recent issue of the beauty magazine Allure, Gilbert acts like anything but a star. Wearing no makeup and with her hair casually tousled, she calls herself a "craftsman" with a passion for hair.

"I need to touch the hair before I know what I am going to do with it," she said. "For me, it's a kind of ritual. Everything is in the posture and the wrists. To become a good hairdresser, one needs fingers and wrists as supple as a pianist's."

"It's a type of work where nothing can be taken for granted," she continued. "There's always a new technique or a new trick to be mastered."

Charlie's is a very different story. Known as a society hairdresser with an impressive list of clients, including the actresses Catherine Deneuve and Isabelle Adjani, Charlie operates a private salon at Alexandre de Paris. This month, she opens her own salon, called Charlie en particulier, where she will not only cut hair but also help her clients find their own style. At 2,000 francs ($340) a cut, there is a six-month waiting list.

Charlie's debut in hairdressing was modest. Now 41, she worked as an unpaid apprentice for the Carita sisters, who sent her to magazine studios to help with fashion shoots. Luck came when the fashion photographer Sarah Moon asked her to style the models' hair for her Cacharel campaign. Charlie left Carita, and for the next 20 years worked only in the studios. Her major career break came in 1992, when Elle magazine asked her to cut Deneuve's hair for a cover. Within a week, the magazine was flooded with readers' requests for the same hairdo.

"I love to bring out women's potentialities," Charlie said. "All faces can be made to look beautiful. A new hairstyle can change a woman's life."

ONE of the most creative hairstylists in Paris these days is Massato, 43. He arrived in Paris at 19, fresh from a hairdresser school in northern Japan. After training with the Parisian hairdresser Maniatis, he started working as a studio hairstylist. Four years ago, he opened a little salon on the Left Bank. His first clients were magazine editors and young "Boulevard St. Germain matrons" and their children.

Massato is a master of the inventive cut, and abhors the blow-dry technique. With speed and precision, and using only scissors, he shapes hair like a sculptor would clay, giving volume and body to the finest and flattest hair.

"Before touching a client's hair, I always take time to observe the way she talks, dresses and carries herself," he said. "A hairdo should emphasize her personality."

It sometimes accomplishes a lot more. Before she operates on her facelift patients, one plastic surgeon in Paris suggests a visit to Massato's salon. "A new hairdo can often minimize surgery," she said.

Christophe Robin is said to be the genius of hair coloring. Only 25, he has a faithful clientele of top models and movie stars. It is Christophe who "assists" Deneuve's blond mane. For the movie "The English Patient," the dark-haired actress Kristin Scott Thomas let him lighten her hair into a glamorous platinum shade.

FOR Christophe, coloring a woman's hair should be a very private operation. He never takes more than two clients at the same time, charging 1,000 francs a session. Once a month, he takes his expertise to a salon in New York's Upper East Side.

Like most of his colleagues, Christophe avoids trends. "A good hair color should go with a woman's complexion and eye color," he said. He insists that not all his clients are society women; some women save up for months to treat themselves to a color session with him.

After working for years in the rarefied atmosphere of the studios and fashion shows, some hairstylists need to go back to the real world.

Valentin has been Yves Saint Laurent's exclusive hairdresser for many years. For the couturier's last show, he designed the models' small-bunned hairdos. He also works for the designers Romeo Gigli and Herve Leger.

Although he talks with reverence of couture's regal perfectionism, he finds it essential to touch base with what's happening in the streets.

For Benetton's latest ad, the photographer Olivier Toscani asked him to style the hair of multiracial suburban teenagers.

"It was great fun," Valentin said. "The kids loved it and they were a lot more daring than many top models."

MICHELE LOYER is a freelance journalist based in Paris.

Makeup: Now It's for Show, Not Just for Shows

Runway Colors Jump Onto the Store Shelves

By Rebecca Voight

Serge Lutens has fashioned Shiseido's international image for 17 years.

PARIS — A lightening bolt of blue across the eyes at Jil Sander's spring show in Milan last week was one more sign that the pale face that has dominated runways lately is on its way out.

Sander, whose elegant, minimalist fashion has become synonymous with low-key makeup, took an about-face this season along with the British makeup artist Linda Cantello, who has worked with her for the last seven years.

"Jil knows how to take risks," Cantello said. "There was no makeup at all on the face, or the lips, no mascara which would have cheapened the look — just this beautiful, primary shade of blue."

The blue eyes gave Sander's sleek image a more youthful aura and one more hot idea for color that the world's makeup companies will snap up.

Runways have become a gold mine for makeup creativity. Always extreme, but often right on target, show makeup is having an increasing influence on the product lines of Shiseido, the leader in the Japanese market, the French company Christian Dior, and a professionally styled newcomer from Canada, M.A.C.

"Five years ago makeup was about being pretty, but it was not a fashion statement," said Fredericke Vance, makeup marketing director of Christian Dior Perfumes. Vance said she noticed the change in October 1995, when the hair stylist Odile Gilbert began to coat strands of hair with bright mascara for the Christian Dior runway show. This provoked a small style revolution.

KNOWN for classic products, Dior took its next cue from the runway. Last May, it introduced a slightly racy new product called Mascara Flash, a tube of bright color with a wand to streak the hair. Mascara Flash crosses the boundary between makeup and hair, bolstering Dior's image as an innovator. But it has also been a strong seller, according to Vance — proof that even Miss Dior likes a walk on the wild side from time to time.

"The influence of show makeup is cyclical," Cantello said. "The makeup companies tuned in about two years ago. When I did gold makeup for Gucci last winter, it showed up all over."

And when Cantello put purple lipstick on Donna Karan's models, the designer's makeup company wanted the exact shade in its collection right away. But it found the cost of adding an extra color prohibitive and decided against it.

Top show makeup artists like Cantello were once just backroom consultants for cosmetics companies. Now they're up front, and the pressure is on. Responsible for the last three seasons for her own collection called "New Testimo," by Kanebo, Cantello must make final selections for her winter '98 colors by the end of the month. Meantime she and her team have to plow through about a dozen runway makeup assignments from London to New York.

Vance said it takes Christian Dior "about a year and a half for us to get something we've seen into the collection."

That time gap means that a beauty company can't wait to see what comes up at a fashion show to select its colors for the season — it must anticipate the trends.

WHEN the French makeup artist Stephane Marais put ruby red blush on the cheeks of John Galliano's Chinese pinup girls for the Christian Dior winter '97 collection, he used colors that the cosmetics company had decided to go with six months before.

That pinup face figures prominently in Christian Dior's current advertising campaign photographed by Nick Knight and is a great example of the osmosis between designers and makeup artists.

Traveling in Asia before the show, Marais found a collection of cigarette advertisement posters from the early 1900s to the 1950s in a dusty Hong Kong bookshop featuring glamorous Asian beauties.

HE brought them back to Galliano, who was toying with a Chinese look mixed with Vargas pinup style. The posters became the inspiration for the collections' makeup.

Designers tend to be categorized, but makeup can put their style in a new context.

When he had his first meetings with Christian Lacroix last season for the ready-to-wear collection, Marais discovered a new, naive quality from Lacroix, particularly in the jeans. This inspired blue and purple lips and eyebrows on the runway.

"We decided to let the models choose the colors they liked best, and I supervised," Marais said. "It was like a kindergarten art class backstage. The effect was very young."

Shiseido has been one of the pioneers in translating show makeup trends into consumer products. It's creative development is intimately linked with Japan's fascination for all things French, particularly Paris.

The company founder, Yushin Fukuhara, the grandfather of Shiseido's current president, Yoshiharu Fukuhara, visited Paris's Exposition Universelle in 1900, where he discovered Art Nouveau, then unknown in Japan.

THIS was the start of what the Fukuharas affectionately call "the French sickness" that continues to inspire the cosmetics family today.

Shiseido, whose business spans more than 100 years, is being celebrated in an exhibit through Oct. 22 in Paris at the Musee des Arts Decoratifs.

Twenty years ago, Shiseido was one of the first companies to do show makeup in Paris, and now it coordinates the makeup artists for several of the most innovative shows in Paris, including those of Jean Paul Gaultier, Martin Margiela and John Galliano.

"Fashion leaders pick up on show makeup trends right away," said Shiseido's Nobuhiro Hirasawa. "But it takes most women one or two years to catch on."

Hirasawa defines show makeup as "a suggestion of new beauty." A new Shiseido foundation that leaves a shine on the face, for example, was directly inspired by recent runway trends, he said.

CANADA'S M.A.C., which counts 140 makeup shops and counters around the world, has tapped into the consumer's attraction to professional makeup.

It is running a flamboyant ad campaign featuring the American cross-dresser and entertainer RuPaul; its stores are staffed with makeup artists rather than sales help; and its products are available in pigment form, which allow users to mix their own shades. All these give M.A.C. a beauty-insiders edge that has helped turn the company into an overnight success since its inception in 1986. Since 1995, the American giant Estee Lauder has been distributing M.A.C. products outside Canada and the United States.

M.A.C. is doing five shows in Paris and plans to increase its activity in the future. Steeve Marino, a Canadian makeup artist, comes to Paris for the shows to work with M.A.C. and says it's the one-on-one with the designer that makes doing runway makeup important to him.

"When you do photos for magazines or ads, it's really up to you, the stylist and the photographer, but at the shows, the makeup is part of the design process," he said. "Thierry Mugler works with every makeup artist backstage individually to design the face of each model in the show."

"We're involved," said M.A.C.'s Gordon Espinet, "because its so inspiring."

"Makeup is part of fashion," said Espinet, who is on the company's color team, which is defining the coming collection. "It shouldn't be designed by a bunch of suits and ties in a boardroom."

Christopher Moore

Julius Schofield and Joanna Neicho, partners in Indesign for 20 years.

Headhunters Lead Chase for New Blood

Continued from Page 11

Schofield. "From very modest beginnings, we have become a professional recruitment service and we work in the same way as any employment agency for junior staff."

At Denza International, Vanessa Denza has also built up a London-based fashion recruitment and consultancy service for clients who include Calvin Klein and Nike in New York and international companies from Dusseldorf through Hong Kong.

Her expertise includes a precise follow-through, advising on contracts and helping her protégés to settle in and "grow with the job." Denza tries to screen the 200 British students who graduate each year and to persuade clients that taking on fledgling talents means training for the future.

Head-hunting may sound like God's gift to fashion, but aren't there any snags? What about Rodriguez's abrupt departure from Cerruti? And Marc Jacobs public revelations that he is confused about his role in Louis Vuitton's corporate structure?

One freelance designer, speaking off the record, says that he has had it with headhunters. He dismisses their so-called expertise, claiming that they never see fashion shows, except on tape; that they cannot distinguish genuine creativity from publicity gimmicks; that they are in thrall to American magazine editorials; and that they are obsessed with the "Gucci solution" of making newsworthy clothes as an engine to sell accessories.

If that is partially true, it is probably the clients' fault. Head-hunting seems to work fine when the client is savvy. Ralph Toledano, president of Guy Laroche, used De Saint Pierre to look for a designer, but gave her a clear brief.

"There were 20 dossiers, and we whittled it down to three," says Toledano. "The relationship between the manager and the creator is something fundamental and the personal note is very important."

Gerald Asaria of Lanvin also says that working with a headhunter meant analyzing the company's needs — in his case the desire to have a woman designer to take up Jeanne Lanvin's flame.

There is something discomforting about the idea that the brightest and best of fashion's new generation will be used to revitalize old houses, rather than be backed to build their own brands.

And perhaps the major problem for the future is that head-hunting of its nature discourages loyalty. A designer who is a successful mercenary might be approached by another house. The headhunter would certainly favor the change, because the going annual rate for a strong designer is now around $800,000 — and a top headhunter gets at least one third as a fee.

And what happens when today's fresh new talents hit 45 years old? They get traded in for a newer, or more newsworthy model, after 10 years of being squeezed of their creative juices.

The message for a young designer generation is the same as for sports stars: get it while you can. Aging fashion labels desperately need new blood — and are prepared to pay a premium for it. And for both sides, the headhunter is a useful weapon in ruthless times.

NYSE

Friday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

A-B-C

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
38⅝	24¼	AAR	.48	1.4	24	317	35¾	34⅝	34¾	-⅝
29⅝	15½	ABM	.40	1.5	24	147	28⅜	27⅝	27⅝	-⅜
24⅞	18⅜	ABN Am n	.56e	2.8	...	1198	20¼	19¼	19⅞	-⅜
101⅞	51½	ACE Ltd	.88	.9	13	249	97¾	95	95⅝	-2¼
11	9⅝	ACMIn	.90a	8.4	...	718	10⅝	10⅝	10⅝	...
8⅝	6⅞	ACM Op	.63	8.0	...	196	7¾	7⅞	7⅞	-⅛
10¼	8⅞	ACM Sc	.90	9.1	...	1607	10⅛	9⅞	9⅞	-⅛
7	6⅜	ACMSp	.57	8.5	...	1058	6⅞	6⅝	6⅝	-⅛
15	11½	ACMMD	1.35	9.2	...	382	14¼	14⅝	14⅝	-⅛
10⅛	9¼	ACM MI	.90	8.9	...	93	10⅛	10⅛	10⅛	+⅛
24⅞	14	ACNielS	...	...	48	1347	23⅞	22¼	23⅞	+⅛
27⅞	16⅞	ACX Tech	...	...	72	202	24⅝	24⅝	24⅝	...
47⅛	20⅝	AES Cp s	...	...	47	2481	45⅛	42⅜	43⅛	-1⅛
57⅝	35⅝	AFLAC	.46	.9	18	1878	52⅛	51⅜	51⅝	-⅜
36⅝	23⅜	AGCO	.04	.1	13	4116	32⅛	31⅛	31⅛	-⅜
22	18⅜	AGL Res	1.08	5.9	13	2216	18⅞	18¼	18⅝	-⅛
48⅞	34⅛	AK Steel	1.00f	2.4	9	2862	43	42⅛	42⅛	-⅛
24⅞	20⅜	AMLI Rs	1.72	7.2	19	404	24⅛	23⅞	23⅞	+⅛
122⅞	78⅜	AMR	...	...	12	5371	118⅝	117⅞	117⅞	-⅛
33	18	APL Ltd	.40	1.2	34	5362	33⅝	33⅜	33⅜	+⅛
16	9⅞	APT Sat n	...	...	...	3112	17⅜	15¼	14⅝	+2⅛
50⅜	40⅝	ARCOCh	2.80	5.4	20	554	50⅛	49⅝	50⅛	+⅛
41	28⅞	ASA Ltd	1.20	4.0	...	685	30⅝	29⅝	30	...
47⅞	30⅞	AT&T	1.32	2.9	15	82853	45⅞	45⅛	45⅝	+1⅛
39⅛	18⅛	AVX Cp	.24	.8	20	1516	32⅝	29⅝	29⅝	-2⅛
35⅝	28⅛	AXA UAP	.48p	...	...	170	34⅝	33⅝	33⅝	-⅜
35⅛	10⅛	Aames s	.13	.8	9	3550	16⅛	15⅝	16⅛	-⅛
68⅝	49⅝	AbtLab	1.08	1.7	24	73612	64⅝	63⅛	63⅝	+⅛
28	17⅛	AberFitch	...	...	41	422	23⅛	22⅝	23⅛	-⅛
21	12⅛	Abitibi g	.40	...	...	1340	16⅝	16⅛	16⅝	-⅛
28⅞	17⅞	Acpfints	...	...	13	357	28	27⅛	27⅛	-⅛
32	15⅞	AccuStff	...	...	35	5214	30	29⅛	29⅝	-1
21⅝	13	AcmeMt	...	...	...	177	15	14⅝	14⅝	-⅛
29⅛	17⅛	Acuson	...	...	76	1178	25⅝	25⅛	25⅝	-⅛
25⅛	19⅝	AdaEx	1.72e	6.9	...	678	25⅛	24⅝	24⅞	-⅛
24⅞	17⅜	AFPPrv	1.25e	6.5	...	292	19⅜	18⅞	19⅜	+⅛
48⅝	16⅝	AMD	...	...	...	20453	29⅜	27¾	28	-⅛
27⅛	9	Advest	.12	.5	18	312	26	24⅜	24⅞	-1⅛
28⅜	11	Advolac	...	...	21	1098	d11¼	20⅞	21⅛	+⅛
12⅝	5⅞	Advocat	...	...	11	343	10⅜	10⅛	10⅛	-⅛
87⅛	51⅝	Aegon	1.52e	1.9	19	161	82⅜	81⅛	81⅛	-2⅛
12	3⅛	Aeroflex	...	...	34	5766	12⅝	11⅝	12⅛	+⅛
57⅛	30	AeroVick	.80	1.5	16	1311	52⅛	51⅛	51⅝	-⅛
118⅛	60⅝	Aetna Inc	.80	1.1	23	18229	77	73⅝	74⅝	-2
104	65⅛	Aetna pfC	4.76	6.3	...	1824	76⅝	74⅝	75	-1⅛
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

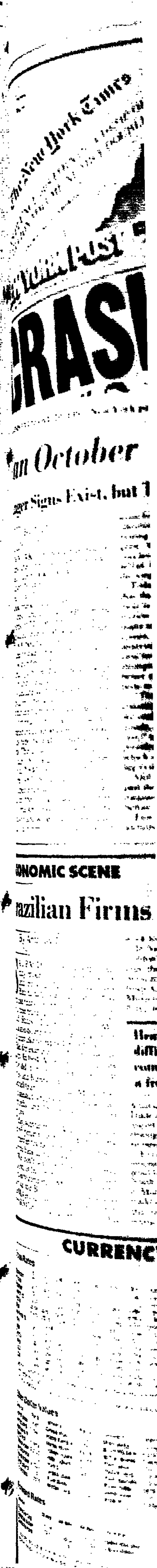
D-E-F

G-H-I

J-K-L

M-N-O

Continued on Page 18



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United Press International

Headlines in the Oct. 20, 1987, New York papers sum up the carnage on Wall Street as stocks fell 508 points.

Can October '87 Happen Again?

Danger Signs Exist, but Today's Market Is a Different Place

By Jill Dutt
Washington Post Service

NEW YORK — From a distance of 10 years, the Oct. 19, 1987, stock-market collapse looks like a small blip on a far-off horizon.

Sure, it was the single worst day in the stock market's history, with the Dow Jones industrial average losing 508 points, or 22.6 percent of its value. An equivalent event today would bash about 1,800 points out of the average.

But the market rebounded quickly. The Dow climbed out of its hole, posted a small gain for that year and kept going, rising nearly fivefold in the ensuing decade with relatively minor hiccups along the way.

Not that the bumps are not scary. On Friday, for example, a skittish market plummeted on disappointing corporate earnings reports and Japanese trade tensions. The Dow, which was down more than 180 points at one point, finished at 7,847.03, down 91.85.

Before 1987, the nation's main previous experience with a huge sudden plunge in the market was in 1929, when a market crash ushered in the Depression and wiped out a significant chunk of a generation's wealth. What arose from the 1987 collapse was a new conventional wisdom about equity investing: Stock prices rise as companies grow; the prices eventually reach excess levels, and then they correct themselves. Investors who buy and hold for the long term will be rewarded.

Today's investors seem convinced that the best strategy in times of turmoil is simply to hold on. This conviction is one of the biggest reasons many say the next sell-off, whenever it comes, will not repeat 1987. These analysts also note that the underlying structure of the markets today is much stronger than it was 10 years ago and better able to handle any mass stampede to the exits.

"There's a much broader base of constituents in the market, so although we could have a drop of similar magnitude, it probably won't happen so fast," said Samuel Hunter, senior vice president at OptiMark Technologies, which is offering a new trade-matching system for institutional investors.

Still, the surging bull market of the past three years looks similar by some measures to the run-up that occurred before the 1987 debacle.

Few dispute that stock prices are awfully high relative to corporate earnings, with the Dow stocks trading at more than 21 times projected earnings for the full year. But there are several key differences between the two periods, as noted in a recent report by Bruce Steinberg, Merrill Lynch & Co.'s chief economist.

Inflation, which erodes the value of financial assets, is at only 2.2 percent and falling these days, while core inflation as measured by the consumer price index in 1987 was at 4 percent and rising. Similarly, interest rates were rising sharply in 1987, as the Federal Reserve Board tried to temper that inflation.

The bellwether U.S. Treasury bond was yielding more than 10 percent at the time of the market collapse, up from about 7.5 percent the year before. Today, rates generally are falling. The 30-year bond is yielding 6.4 percent, down from more than 7 percent earlier this year.

In addition, the federal budget deficit now is shrinking, the dollar is strengthening, and corporations are far less debt-burdened than they were 10 years ago.

So, even though the markets may look the same on paper, they are in fact very different.

ECONOMIC SCENE

Brazilian Firms Wary of U.S. Trade Pact

By Anthony Faiola
Washington Post Service

SAO PAULO — His companies may make stuffed teddy bears and baby dolls, but Synesio Batista da Costa is anything but warm and fuzzy on the idea of rushing into a free-trade agreement with the United States. Trade barriers, Mr. Batista insists, are not something to be lifted apart like so many Lego blocks.

Take, for example, the Brazilian toy industry. In 1994, American companies almost did it in, as import taxes on Barbies and Barneys from the United States fell to an all-time low. More than 520 domestic toy factories closed within 24 months, and 15,000 workers lost their jobs.

Today, with tariffs back up to a whopping 63 percent on toy imports, employment in toy factories across Brazil has gone back up by 5,000.

"We don't want a U.S. economic invasion, at least not until we are in a position to compete," Mr. Batista, president of the Brazilian Association of Toy Makers, said after listening to President Bill Clinton give a speech here this week to business leaders.

In Sao Paulo, a pivotal stop on Mr. Clinton's weeklong South American tour, the U.S. president pressed his proposal to expand hemispheric free trade from Canada, the United States and Mexico into the rest of the region. But here, in the industrial heart of Latin America, Mr. Clinton's dream of a Free Trade Area of the Americas is now more feared than anticipated, especially among the politically powerful Brazilian business sector.

Heavy taxes make it difficult for Brazilian companies to compete in a free-trade environment.

Even as U.S. lawmakers and labor unions wrangle over the idea, saying it would cost thousands of U.S. jobs, South Americans also are arguing about it. Many say that rushing ahead with free trade could destroy the significant but still fragile gains achieved under economic reforms made throughout the region in the 1990s. Brazil in particular, as the powerhouse of Latin America, with half its economic output — and without whose cooperation a hemispheric trading bloc would be impossible — is in no hurry to tie the trade knot with the Giant of the North. As a result, Mr. Clinton is discovering that the difficulty of convincing skeptics back home may pale in comparison with the task of selling his idea here, where many are viewing the U.S. position as a throwback to the days of Yankee bullying.

"We're not ready yet for it, and we don't want it forced upon us," said Roberto Macedo, president of the Electronics Manufacturing Association of Brazil, which represents makers of televisions, stereos, photocopiers and other electronic goods. "The U.S. is trying to herd us into this thing like the buffaloes in the Wild West, and just like those buffaloes, if we allow it, we will be heading for extinction."

At the Summit of the Americas in Miami in 1994, leaders from throughout the hemisphere, including Mr. Clinton and President Fernando Henrique Car-

See TRADE, Page 19

CURRENCY & INTEREST RATES

Cross Rates

Oct. 17

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9975	3.225	1.1267	0.3361	0.1154*	—	5.463*	1.3525	1.458*	1.4375	1.335*
Brussels	36.37	58.78	20.625	6.149	2.1121*	18.3075	—	25.09	0.3023	26.24	24.48*
Frankfurt	1.7619	2.8539	—	0.2983	0.1024*	0.8876	4.8484*	1.2018	1.4653*	1.271	1.1851*
London (a)	1.6169	—	2.8597	9.5889	2,792.96	3.222	58.9835	2.3818	194.1999	2.2413	241.355
Madrid	146.708	148.907	84.397	25.174	8.638*	74.908	4.0919	100.587	123.676*	107.347	—
Milan	1,718.70	2,783.00	974.90	291.35	—	868.95	47.40	1,173.00	14.329	1,239.50	11.587
New York (b)	—	1.6184	1.7725	5.930	1,730.50	1.9965	36.57	1.475	120.70	1.3871	148.875
Paris	5.9071	9.5695	3.3525	—	0.3432*	2.9756	0.1625	4.0322	4.9128*	4.2642	3.9725*
Tokyo	120.15	194.23	68.57	20.45	[illegible]	60.86	3.3246	82.31	—	86.60	0.8125
Toronto	1.3867	2.2428	0.7823	0.2334	0.0802*	0.6946	0.3794*	0.9405	1.1491*	—	0.927*
Zurich	1.474	2.3798	0.8327	0.2484	0.0853*	0.7392	4.0323*	—	1.2274*	1.0634	0.9903*
1 ECU	1.1166	0.6892	1.9624	6.5958	1,922.16	2.2146	40.5794	1.6359	134.258	1.5480	166.036
1 SDR	1.3698	0.8455	N.Q.	8.0916	2,358.07	N.Q.	49.7203	2.0074	164.554	N.Q.	N.Q.

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 P.M.
*a: To buy one pound. b: To buy one dollar. *: Units of 100. N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9986	Greek drac.	276.52	Mex. peso	7.736	S. Afr. rand	4.6965
Australian $	1.3641	Hong Kong $	7.7395	N. Zealand $	1.5562	S. Kor. won	914.80
Austrian sch.	12.397	Hung. forint	194.78	Norw. krone	7.0638	Swed. krona	7.6027
Brazil real	1.0994	Indian rupee	36.195	Phil. peso	33.70	Taiwan $	29.21
Chinese yuan	8.3147	Indo. rupiah	3655.0	Polish zloty	3.39	Thai baht	37.10
Czech koruna	32.56	Irish £	0.6857	Port. escudo	179.42	Turkish lira	177710.
Danish krone	6.7089	Israeli shek.	3.5235	Russ ruble	5878.5	UAE dirham	3.6720
Egypt. pound	3.40	Kuw dinar	0.3015	Saudi riyal	3.75	Venez. boliv.	497.40
Fin. markka	5.2878	Malay. ring.	3.266	Sing. $	1.5555		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6154	1.6133	1.6114	Japanese yen	119.77	119.24	118.70
Canadian dollar	1.3830	1.3806	1.3784	Swiss franc	1.4526	1.4504	1.4483
Deutsche mark	1.7613	1.7582	1.7553				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Oct. 17

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3⅜ - 3½	1 11/16 - 1 13/16	7 1/16 - 7 3/16	3 1/16 - 3 3/16	⅜ - ½	4 5/16 - 4 7/16
3-month	5⅝ - 5¾	3 7/16 - 3⅝	1⅞ - 2 1/16	7¼ - 7⅜	3 5/16 - 3 7/16	7/16 - 9/16	4⅜ - 4½
6-month	5¾ - 5⅞	3 9/16 - 3 11/16	1 15/16 - 2⅛	7⅜ - 7½	3¼ - 3⅜	7/16 - 9/16	4½ - 4⅝
1-year	5 15/16 - 6 1/16	4 1/16 - 4 3/16	2¼ - 2⅜	7⅜ - 7½	4½ - 4⅝	½ - ⅝	4 11/16 - 4 13/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5½	5 9/16
90-day CDs dealers	5.66	5.66
180-day CP dealers	5.52	5.52
3-month Treasury bill	4.92	4.91
1-year Treasury bill	5.26	5.21
2-year Treasury bill	5.89	5.81
5-year Treasury note	6.07	6.00
7-year Treasury note	6.11	6.04
10-year Treasury note	6.16	6.09
30-year Treasury bond	6.44	6.39
Merrill Lynch 30-day RA	5.09	5.09
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.42
1-month interbank	0.46	0.46
3-month interbank	0.47	0.47
6-month interbank	0.50	0.50
10-year Govt bond	1.98	2.01
Germany		
Lombard rate	4.50	4.50
Call money	3.45	3.45
1-month interbank	3.53	3.52
3-month interbank	3.70	3.70
6-month interbank	3.92	3.75
10-year Bund	5.67	5.61
Britain		
Bank base rate	7.00	7.00
Call money	7¼	7⅛
1-month interbank	7 5/16	7⅜
3-month interbank	7¼	7¼
6-month interbank	7⅜	7⅜
10-year Gilt	6.50	6.51
France		
Intervention rate	3.30	3.30
Call money	3⅛	3¼
1-month interbank	3 3/16	3 3/16
3-month interbank	3 5/16	3 5/16
6-month interbank	3⅜	3⅜
10-year OAT	5.69	5.68

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	n.a.	324.00	— 3.00
London	324.20	324.30	— 3.05
New York	326.80	326.20	— 0.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

New Clouds for Asian Currencies

Investors Jittery Over Malaysia Budget

By Thomas Fuller
Special to the Herald Tribune

KUALA LUMPUR — Malaysia unveiled a budget Friday that stakes the country's future on information technology and a larger services sector, while discouraging investment in construction and other industries that rely on heavy imports.

However, the budget, which had been awaited by investors for signs that Malaysia was taking firm steps to avoid a deepening financial crisis, disappointed the markets. The country's currency, the ringgit, extended its recent losses, falling 2 percent against the dollar. The U.S. currency rose to 3.2660 ringgit, from 3.1727 Thursday.

Most analysts dismissed the budget as insufficient to deal with Malaysia's economic and financial difficulties.

In a speech that was closely monitored by investors looking for positive signals, Finance Minister Anwar Ibrahim called for a modest increase of 1.9 percent in federal spending. By comparison, the government expects output to expand by 7 percent next year.

Bangkok cancels tax increases and delays finance reform. Page 19.

Addressing concerns about the country's current-account deficit, Mr. Anwar confirmed the deferment of nearly a dozen large-scale infrastructure projects, including the Bakun hydroelectric dam and a bridge across the Strait of Malacca linking peninsular Malaysia with Indonesia. The cost of the postponed projects is estimated at $20 billion.

"The cut in government spending is not deep enough to bring a sharp shrinkage in the current-account deficit," Daniel Lian, head of Asian markets research at ANZ Investment Bank in Singapore, told Bloomberg. "There's no relief for the ringgit."

The ringgit has fallen nearly 30 percent since July, when the region's currency crisis erupted.

Jomo K. S., an economics professor at the University of Malaya, said that "one of the problems this year with the budget — and this partly explains the market response this evening — has been that there were all these unrealistic expectations."

What the country needed, he said, was a comprehensive package of investment incentives similar to the Promotions of Investments Act passed in 1986, which was followed by nearly a decade of 8 percent growth.

"The kind of upturn later in the decade would not have been possible without it," Mr. Jomo said. "Given that we're talking about going from manufacturing into information technology, you're going to need a major new statement of policy priorities and incentives."

Mr. Anwar, who is also the deputy prime minister and is considered Prime Minister Mahathir bin Mohamad's heir apparent, also announced higher tariffs on imports of cars and construction equipment and unveiled tax incentives for exporters. Mr. Anwar referred to parts of the budget as bitter medicine, but sweetened the package with a cut in corporate taxes to 28 percent, from 30 percent.

Beyond immediate concerns about the current-account deficit, however, are deeper worries about the country's overall competitiveness. The budget comes at a pivotal time for Malaysia, which, like its neighbors, is being challenged by low-wage competitors.

"We must compete aggressively with low-cost producers in countries like China and Vietnam," Mr. Anwar said in his speech Friday.

The push into knowledge-based industries is seen as a way to move up the value chain and find a new niche in the regional economy. The budget contained help to develop government information-technology programs and allots 119 million ringgit ($37.5 million) for special schools that will teach computer skills to young students. Nearly 20 percent of the entire budget is earmarked for education.

"It is imperative that every Malaysian should be knowledgeable in the field of multimedia and be able to use a computer," Mr. Anwar said, adding that families would be provided a tax rebate of 400 ringgit for the purchase of a computer.

Following the speech, Mr. Mahathir called the shift to information technology industries imperative. "We have no choice. Already we have a shortage of workers. And in order to grow the economy, in order to increase the income of our people we have to switch into IT," the prime minister said, using the acronym for information technology.

Taiwan Lets Its Dollar Hit Lowest Point In a Decade

Compiled by Our Staff From Dispatches

TAIPEI — The Taiwan dollar sank to its lowest close in nearly a decade Friday after the central bank eased what for two weeks had been an airtight defense aimed at fending off the currency woes plaguing Southeast Asia.

The U.S. currency ended at 29.70 Taiwan dollars, compared with 28.52 dollars Thursday. The last time the U.S. currency bought more than 29 Taiwan dollars was in November 1987.

The central bank said the surprise depreciation in the currency was in line with its plans, an explicit indication that the exchange rate would be allowed to remain at that low level and perhaps to fall still further.

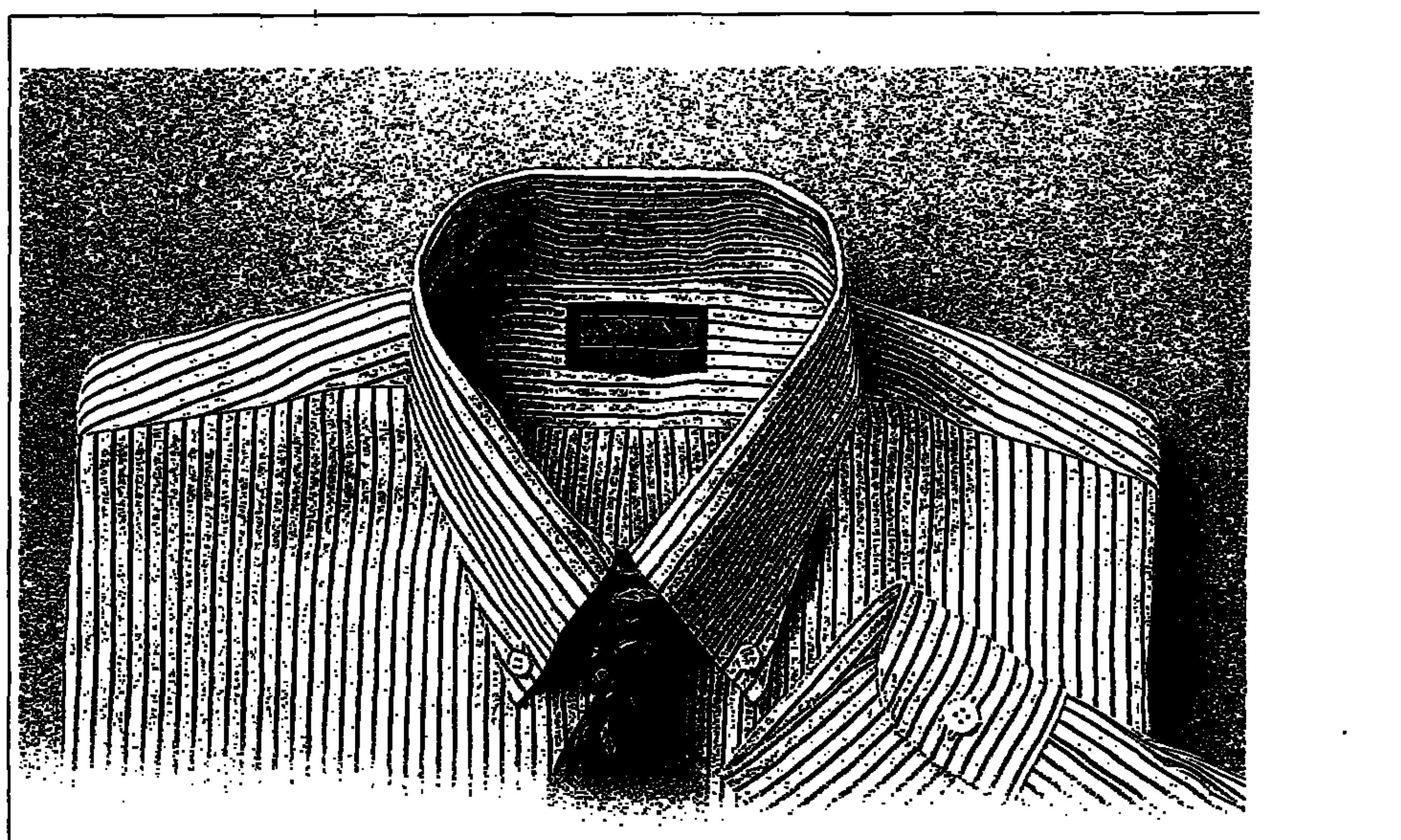
"Friday's depreciation was part of the central bank's plan," the bank's deputy governor, Liang Cheng-chin, said after the close of trading.

The bank's withdrawal from backing the Taiwan dollar came after it had spent $5 billion to prop up the local unit since the outbreak of the Southeast Asian currency crisis in July.

"The central bank's let-go attitude triggered crazy U.S. dollar buying," a dealer at a foreign bank said. Another dealer said, "To most people's surprise, the central bank was willing to allow such a drastic depreciation.

"The problem now is, we don't know where the bank stands."

Mr. Liang sought to spell out the central bank's new stance, explaining that "abnormal expectations" no longer existed in the foreign exchange market and that "there is no need for the central bank to intervene." *(Reuters, AFP)*



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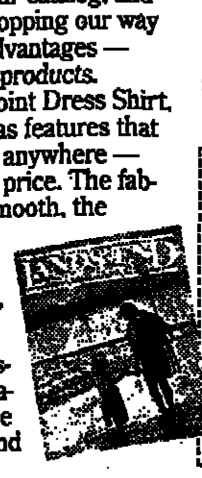

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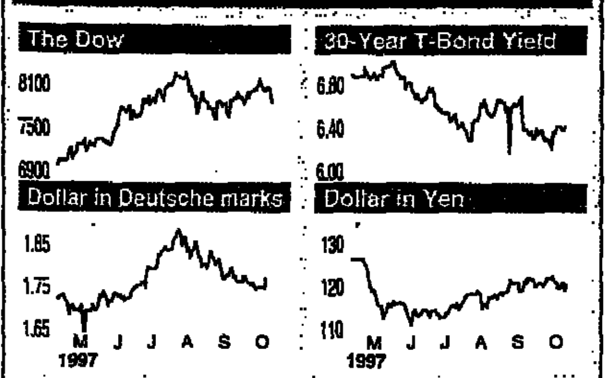
Investor's America



Exchange	Index	Friday @4PM	Prev. Close	% Change
NYSE	The Dow	7847.03	7938.88	-1.16
NYSE	S&P 500	944.17	955.25	-1.16
NYSE	S&P 100	904.93	914.24	-1.02
NYSE	Composite	496.56	502.30	-1.14
U.S.	Nasdaq Composite	1666.88	1699.66	-1.93
AMEX	Market Value	700.88	708.38	-1.06
Toronto	TSE Index	7032.90	7090.30	-0.81
São Paulo	Bovespa	12487.76	12578.18	-0.72
Mexico City	Bolsa	5248.06	5347.87	-1.87
Buenos Aires	Merval	820.75	828.34	-0.92
Santiago	IPSA General	5215.58	5257.14	-0.79
Caracas	Capital General	10613.6	10620.90	-0.07

Source: Bloomberg, Reuters — International Herald Tribune

Rate Fears and Computer Shares Drag Down Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Stocks tumbled Friday as bond prices fell after a big jump in industrial production and housing starts raised fears that Federal Reserve Board policymakers could soon raise interest rates to slow the economy.

Stocks were also pulled down by Sun Microsystems and Seagate Technology, the latest computer-related companies to report disappointing earnings.

The drop came on the last trading

U.S. STOCKS

day before the anniversary of the Oct. 19, 1987, market collapse, when the Dow Jones industrial average fell 22.6 percent in one day. While analysts do not predict a similar collapse now, the anniversary led some investors to look again at whether share prices accurately reflect the prospects for earnings.

The unsettling earnings reports from computer industry leaders "are giving investors reasons to be jittery," said Elizabeth Miller, a money manager at Trevor Stewart Burton & Jacobsen Inc. in New York.

The industrial average closed 91.85 points lower, at 7,847.03, after recouping about half of a loss of more than 180 points.

The Standard & Poor's 500 Index was down 11.07 at 944.18.

Stocks sank after the Federal Reserve reported a faster-than-expected jump in industrial production in September. Output at U.S. factories, mines and utilities rose 0.7 percent last month, pushing the U.S. industrial operating rate to 84.4 percent of capacity, the highest since February 1995.

The government said housing starts jumped an unexpected 7.9 percent to an annual rate of 1.5 million, after drops in August and July.

The data aggravated worries that the economic pace is not moderate enough to keep inflation tame without a lift in Fed interest rates.

Bond prices fell on the reports, with the benchmark 30-year Treasury bond price down 21/32 at 99 4/32, pushing the yield up to 6.44 percent from 6.39 percent Thursday.

Also weighing on stocks were trade tensions with Japan, which could also pull down company profits. Late in the day, U.S. and Japanese officials seemed close to an agreement in a dispute that had led Washington to threaten to bar Japanese cargo ships from U.S. ports.

"The trade crisis on top of the negative psychology from the crash of 1987 are hurting stocks," said John Cleland, chief investment strategist at Security Benefit Group Inc. in Topeka, Kansas.

Shares in International Business Machines dropped 4⅜ to 95½ after the company said it was offering a voluntary buyout plan to most of its 241,000 employees worldwide in a cost-cutting move that could eliminate several thousand jobs.

IBM helped drag down the sector, as computer shares dominated trading. The 15 most active issues were all computer-related or telecommunications shares. The Nasdaq composite index, filled with computer and telecommunications issues, dropped 32.78, or nearly 2 percent, to 1,666.88. It rose to a record 1,745.85 last week.

The heaviest trading was in Sun Microsystems, which tumbled 3 15/16 to 38⅜ after reporting first-quarter profit below forecasts. The company cited the effects of a strong dollar on overseas sales. Seagate Technology dropped 5 5/16 to 32 after the maker of computer disk drives said currency losses had sent earnings below expectations.

"Earnings fright continues to trouble the stock market," said Joseph DeMarco, managing director in equity trading at HSBC Asset Management, a unit of Hongkong & Shanghai Bank.

Compaq Computer dropped 3¼ to 70, and Dell Computer fell 3⅜ to 95 7/16. Intel fell 1 9/16 to 83 13/16, and Microsoft dropped 1 1/32 to 132⅞. *(Bloomberg, AP)*

Economic Data Bolster the Dollar

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against most other major currencies Friday as U.S. reports suggested the economy was growing strongly enough to trigger an interest-rate increase.

Reports indicating stronger-than-expected U.S. factory production and housing starts overshadowed speculation, triggered by recent comments from Bundesbank officials, that German interest rates were likely to rise again soon.

The dollar rose to 1.7725 Deutsche marks from 1.7465 DM the day before and to 120.70 yen from 119.47 yen. The U.S. currency also climbed to 1.4750 Swiss francs from 1.4555 francs and to 5.9380 French francs from 5.8556 francs. But the pound edged up to $1.6180 from $1.6177.

A Bundesbank council member, Reimut Jochimsen, said Germany's central bank was watching for any sign that inflation was on the rise,

FOREIGN EXCHANGE

although he said the bank was not likely to raise rates soon.

Separately, in the text of a speech to be delivered on European monetary integration, Hans Tietmeyer, the Bundesbank president, said, "The dollar is a strong currency and — despite a current-account deficit and growing external debt — U.S. fundamentals do not point to a change in that situation." Europe's planned common currency, the euro, is unlikely to replace the dollar as the world's main reserve currency, Mr. Tietmeyer said, although he said it would be an attractive alternative.

The dollar rose against the yen as hope faded that tax cuts would stimulate growth in Japan. Finance Minister Hiroshi Mitsuzuka ruled out proposals to cut 2 trillion yen in income taxes and provide 300 billion yen in tax relief for housing, welfare and education.

He said the government could not afford the package while it tried to slash its deficit. *(Bloomberg, AFX)*

Very briefly:

- **McDonald's Corp.**'s third-quarter earnings rose 2 percent, to $448.9 million, as gains from overseas expansion were limited by the dollar's strength. Revenue rose 8 percent, to $3.0 billion. Systemwide sales, which include franchised restaurants, rose 6 percent, to $8.79 billion.
- **Standard & Poor's Corp.** cut its credit rating on **Apple Computer Inc.** from B to B-minus to reflect declines in revenue and an expectation that the computer maker will continue to post operating losses.
- **Hicks, Muse, Tate & Furst Inc.** and **Mandeville Partners LLC** agreed to sell their Argentine cable television operations to the Argentine company **Cablevision SA** for $535 million. The cable system has 430,000 subscribers in about 50 cities and has been put together through 60 acquisitions since December.
- **Dow Jones & Co.** said its plan to overhaul its struggling Dow Jones Markets financial-information service was under review, leading to speculation that the business might be up for sale.
- **Kvaerner PLC**, a British-Norwegian shipbuilder, plans to make a deal with authorities to turn the former US Navy yard in Philadelphia into a shipbuilding facility. *Bloomberg, AP, AFX*

Kellogg to Close 3 European Plants

Bloomberg News

BATTLE CREEK, Michigan — Kellogg Co. said Friday it would take a pretax charge of as much as $150 million to close three European factories and dismiss 400 employees as the cereal company took advantage of lower trade barriers in Europe.

Factories in Riga, Latvia; Svendborg, Denmark, and Verola, Italy, will close by year-end, and Kellogg will shift production to its four other European factories. The moves will result in annual pretax savings of $60 million to $70 million, the company said. John Renwick, an analyst for Morgan Stanley, said the reduction of trade barriers in Europe had made it easier for Kellogg to use fewer factories to make cereals and ship them across borders.

1987: *For Wall Street, Stock Market Collapse 10 Years Ago Was Only the Forerunner of a Bull Run*

Continued from Page 1

Biggs was and was scornful of his recent bearishness.

"You're lucky to get me, because I'm doing less plumbing these days," the plumber told Mr. Biggs. "I've got $300,000 in the market on margin. I'm making three times as much money this year from trading stocks as I am from plumbing, and I don't have to stick my hands down other people's drains. For years now, I've bought stocks on dips when you Wall Street guys were beating your breasts and crying bear."

In 1987, the market seemed to offer quite different lessons. One that might be the most relevant today was that sophisticated derivative securities were highly destabilizing to the market, even though they were being used in what investors thought were conservative ways.

Now there are new techniques — being used in different ways — that could have a similar impact, by leading to heavy selling after prices fall. If the market ever does break sharply again, those strategies will come under intense scrutiny.

Another lesson of 1987, one that seems less clear now, concerned valuation. Stock prices by many measures were very highly valued at the 1987 peak, and their fall seemed to vindicate those who had been warning of severe overvaluation.

Now, by many of those same yardsticks, stock prices are much more overvalued. Yet Wall Street, for the most part, seems to not care. It is being said, instead, that prices are quite reasonable, given falling interest rates, the outlook for low inflation and continued growth.

Even if stocks are overvalued, those who spoke of excessive valuations a year or two ago have been largely discredited by the market's rapid advance since then.

In the immediate aftermath of October 1987, one certainty, to many on and off Wall Street, was that the slide in stock prices must have contained an economic warning. Stock prices have long been part of the index of leading economic indicators, and while not every downturn in prices has been followed by a recession, it was hard to imagine that such a big fall could mean anything but a recession, at the very least.

In fact, the economic effect of the market's slide was minimal, and the analysts spent the latter half of 1988 raising their forecasts. It was the only time since 1980 that analysts as a group had underestimated corporate profits for a year at the beginning of that year.

The incident did have a depressing effect on Wall Street firms themselves, and on the New York economy, for a number of years. But for most of America, there was little impact.

In fact, it is possible that business was a little stronger in 1988 than it would have been if the 1987 plunge had never happened. The Federal Reserve Board, which had been pushing interest rates up, changed course abruptly when the market plunged. That helped to stimulate an economy that in fact was doing fine anyway.

It took some time to realize just how much of the selling on Oct. 19 and the days around it had come as a result of an investment strategy known as portfolio insurance.

Details varied, but the basic idea was that institutions could lock in profits, at minimal cost, by planning to sell stock-index futures contracts as prices fell. Then, every future sold would lock in previously made profits on the stocks. Or so the theory went.

What actually happened was that such selling overwhelmed the market, driving prices in the futures market down much further than they otherwise would have fallen. It did not start the market's fall, but it made it much worse than it otherwise would have been.

Portfolio investing strategy has died, but related strategies have made strong comebacks in recent years. Those strategies depend on options of one sort or another and come in various shapes and sizes. Most are based on so-called over-the-counter options, which are usually sold to institutions by investment banks and commercial banks.

Such an option might protect an investor with a lot of technology stocks by giving him or her the right to sell a basket of those stocks at a certain price by a certain date. In return for an upfront payment for that kind of option — a put option — the investment bank would guarantee that the technology-stock investor would lose no more than a certain amount. That, to keep the insurance analogy going, is equivalent to buying insurance before a fire begins.

The investment bank that issued that option probably does not want to bet on technology stocks, so it can hedge its exposure in a variety of ways. One way, called dynamic hedging, bears a suspicious resemblance to the portfolio insurance of old: If prices fall, the bank will hedge by selling short the underlying stocks. If they rise, it will buy back stocks. Either way, it amounts to going with the market's flow and thus adding to its volatility, which has been high lately.

How much of that volatility is due to dynamic hedging, no one knows, because there is no way to know how much such hedging is being done. No figures are made public on trading in over-the-counter options.

AMEX

Friday's 4 P.M. Close

The 300 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7880.43	7938.86	7755.68	7847.03	-91.85
Trans	3296.54	3308.27	3204.31	3254.43	-53.84
Util	242.62	243.90	239.98	242.26	-1.64
Comp	2563.66	2578.79	2515.96	2547.03	-31.76

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1134.77	1107.61	1112.87	1099.74
Transp.	710.59	694.87	696.07	688.55
Utilities	208.89	206.89	207.83	207.15
Finance	116.92	114.16	114.75	113.11
SP 500	973.38	950.77	955.23	944.17
SP 100	933.86	909.15	914.24	904.93

NYSE

	High	Low	Last	Chg.
Composite	502.30	490.81	496.57	-5.73
Industrials	628.31	613.47	620.98	-7.33
Transp.	471.93	460.87	466.24	-5.69
Utility	304.37	298.80	302.70	-1.37
Finance	481.77	470.54	475.09	-6.68

Nasdaq

	High	Low	Last	Chg.
Composite	1691.57	1646.04	1666.88	-32.78
Industrials	1371.26	1333.64	1350.19	-26.90
Banks	1942.73	1913.12	1920.55	-23.89
Insurance	1840.16	1809.44	1825.98	-9.89
Finance	2302.97	2257.41	2270.82	-34.20
Transp.	1135.98	1104.79	1118.17	-20.48

AMEX

High	Low	Last	Chg.
708.38	694.78	700.88	-7.50

Dow Jones Bond

	Close	Chg.
20 Bonds	103.94	-0.17
10 Utilities	101.53	-0.20
10 Industrials	106.35	-0.14

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Compaq s	230304	73⅛	68¾	69¹⁵⁄₁₆	-3¼
Seagate s	118180	33⅞	31½	32	-5⅝
Iomega	105427	27½	25¼	26⅞	+1⅝
Sears	89978	47⅛	45⅝	46¼	-1⅜
LSI Log	84006	24⅝	23⅝	24¼	+⅛
AT&T	87833	45⅞	43⅞	45⅛	+1¼
IBM s	70299	98⅞	95¼	95⅝	-4⅜
Merck	67049	96⅛	93½	95	-2⅛
GenElec s	59595	69⅞	67	68⅞	-⅛
CocaCl	55748	59½	57⅞	58½	-⅞
BayNtwk	53478	36	33	35⅞	+⅛
GTE	53011	46⅛	44⅞	46	+1⅛
Boeing s	51923	52⅞	51	51⅛	-⅞
PhilMor s	51829	41⅛	40¼	40⅞	-⅛
MicmT	50435	34	32½	33⅞	-1⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
SunMic s	405865	39	36	38⅛	-3⅞
ApldMat s	248706	44⅛	39⅞	41⅞	-2⅞
Intel s	244242	85⅛	81⅞	83	-2⅛
ImpCrd n	188661	18⅛	18	18⅛	—
Ascend	179718	35⅞	32⅞	34⅞	+1⅝
DellCpt s	159945	98⅞	91⅞	94⅞	-3⅜
3Com	115678	50⅛	47⅛	49⅛	-1⅜
P-Com s	113978	22¼	19½	22	-6
Microsft s	109099	134⅞	130⅞	132⅞	-1⅛
WorldCm	105583	34⅞	33⅞	34⅛	-⅛
MCI	102475	38⅞	37⅞	37⅞	-⅛
Cisco	100185	81⅞	78½	80	-1⅝
KLA Tenc	86119	61⅛	55¼	58	-4⅛
Oracle s	75578	34⅞	33⅞	34⅛	-⅛
NoiseCT	72968	1½	n.a.	1½	+½

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	79478	95⅞	93	94⅞	-1⅛
XCL Ltd	38756	⅛	⅛	⅛	-⅛
JTS Corp	18303	⅞	⅞	⅞	
ComCor	16146	19⅞	19⅛	19⅞	-⅛
Nabors	11038	42⅞	40⅛	42	-⅞
Harken	10771	6⅞	6½	6⅞	—
GreyWolf	8324	8⅞	7¼	8⅞	-⅛
Hemo	7371	1⅛	1⅛	1⅛	-⅛
ViacB	7260	30⅞	29⅞	29⅞	-⅛
EchoBay	6964	5⅞	4⅞	5⅛	+⅛

Trading Activity

NYSE

	Close	Prev.
Advanced	617	1072
Declined	2232	1825
Unchanged	474	530
Total issues	3412	3427
New Highs	57	186
New Lows	46	30

Nasdaq

	Noon	Prev.
Advanced	1167	1582
Declined	2635	1764
Unchanged	1821	1377
Total issues	5623	5723
New Highs	63	286
New Lows	67	49

AMEX

	Close	Prev.
Advanced	146	208
Declined	436	379
Unchanged	154	166
Total issues	736	753
New Highs	23	53
New Lows	8	5

Market Sales

	Today 4:00	Prev. cons.
NYSE	631.80	714.61
Amex	25.07	42.35
Nasdaq	864.06	833.83

In millions.

Dividends

Company	Per	Amt	Rec	Pay
STOCK SPLIT				
Bancorp CT 2 for 1 split.				
CitFed Bncp 3 for 2 split.				
Helix Tech 2 for 1 split.				
Maryland Fed1 2 for 1 split.				
Peoples Bcp Auburn 3 for 2 split.				
STOCK				
UMB Financial	-	5%	12-11	1-2
INCREASED				
Capstone Capital	Q	.48	11-3	11-17
Evergreen Bncp	Q	.15	10-31	11-10
Flowers Indus	Q	.1125	10-31	11-14
Helix Tech	Q	.42	10-30	11-13
PIMCO Adv LP A	Q	.58	12-31	1-15
PXRE Corp	Q	.25	11-14	12-1
Peoples BK CT	Q	.19	11-1	11-15
Provident Bkshrs	Q	.24	10-27	11-7
INITIAL				
CitFed Bncp n	-	.09	11-14	12-1
Compaq Cptr n	-	.03	12-31	1-20
Fst Nthm Cap n	-	.08	10-30	11-14
FirstBank	-	.07	11-13	11-26
FirstSpartan Fnd	-	.15	10-27	11-10
Kindr MorEngPt a	-	.50	10-31	11-14
Maryland Fed1 n	-	.1125	12-5	12-19
Norsk Am Tanker	-	.30	10-27	11-10
Vermont FnclSvcs	-	.15	10-24	11-25
LIQUIDATING				
Resurgence Props	-	1.15	10-27	11-6
SPECIAL				
Cornerstone Props	-	.14	10-31	11-26
Premium Income		g1.7014	10-31	10-31
REGULAR				
Arco Chemical	Q	.70	11-7	12-5
BoddieNoell Props	Q	.31	10-31	11-14
Calif WaterSvc	Q	.5275	11-1	11-15
Chittenden Corp	Q	.22	10-31	11-14
Equitable Resour	Q	.295	11-14	12-1
Gillette Co	Q	.215	11-3	12-5
Magna Group	Q	.25	11-15	12-10
Ocean Fncl	Q	.20	10-27	11-3
Omega Hlthlnv	Q	.645	10-31	11-14
Oneok Inc	Q	.30	10-31	11-14
Peoples Fst Cp	-	.22	11-3	11-17
PlumCrk Timb LP	Q	.55	11-14	11-26
Prime Retail	Q	.295	11-3	11-15
Republic NY Cp	Q	.46	12-15	1-1
UMB Financial	Q	.20	12-11	1-2
Union Planters	Q	.40	10-31	11-17
Weyerhaeuser Co	Q	.40	10-31	12-1
Wilmington Trust	Q	.36	11-3	11-17

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration. a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Oct. 17, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Dec 97	286	281½	282	-5	206,203
Mar 98	295¼	291¼	291¼	-4½	90,791
May 98	300¼	296¼	297	-4¼	26,483
Jul 98	304½	300½	301¼	-4	34,493
Sep 98	291	289	289¾	-2¼	2,556
Dec 98	288½	286½	287½	-1¼	21,934
Jul 99			300½	-1	192

Est. sales 87,000 Thu's sales 53,782
Thu's open int 383,370, up 3,770

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Oct 97	229.20	222.30	223.30	-5.90	3,540
Dec 97	224.80	220.30	220.90	-3.90	47,627
Jan 98	224.00	219.20	220.40	-3.50	20,104
Mar 98	221.50	216.50	217.50	-3.50	18,832
May 98	220.50	215.80	216.30	-3.60	15,809
Jul 98	222.00	216.50	217.50	-3.90	10,690

Est. sales N.A. Thu's sales 25,181
Thu's open int 121,477, off 1,172

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Oct 97	24.65	24.47	24.53	-0.14	814
Dec 97	25.00	24.75	24.81	-0.17	56,997
Jan 98	25.17	24.97	25.03	-0.18	21,824
Mar 98	25.42	25.20	25.29	-0.16	11,484
May 98	25.50	25.40	25.47	-0.10	7,276
Jul 98	25.60	25.50	25.58	-0.12	8,079

Est. sales 24,000 Thu's sales 23,818
Thu's open int 108,058, up 2,066

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Nov 97	704½	691	692	-10¼	83,121
Jan 98	709	695	696	-10½	43,665
Mar 98	714½	703	704½	-9¼	19,850
May 98	720	708	708¼	-9¼	14,761
Jul 98	725½	713½	714½	-9½	12,004

Est. sales 60,000 Thu's sales 50,353
Thu's open int 181,227, up 1,945

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Dec 97	366	362½	363¼	-2	61,560
Mar 98	378½	376	377¼	-1¼	27,594
May 98	386	383	384	-1¼	5,277
Jul 98	387½	385	386	-1¼	12,729

Est. sales 12,000 Thu's sales 13,588
Thu's open int 110,230, off 393

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	68.25	67.60	67.67	-0.35	4,455
Dec 97	66.95	66.12	66.47	-0.37	43,667
Feb 98	69.30	68.45	68.55	-0.62	20,993
Apr 98	72.82	72.20	72.47	-0.20	13,051
Jun 98	70.15	69.57	69.67	-0.35	8,940
Aug 98	69.82	69.52	69.52	-0.07	2,782

Est. sales 11,070 Thu's sales 14,642
Thu's open int 94,898, off 814

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	77.95	77.60	77.80	+0.20	3,272
Nov 97	78.15	77.40	77.72	+0.17	7,431
Jan 98	78.70	78.05	78.22	+0.15	4,507
Mar 98	78.45	77.85	78.10	+0.20	2,210
Apr 98	78.60	78.10	78.30	+0.10	850
May 98	79.35	78.75	79.00	+0.07	700

Est. sales 2,369 Thu's sales 3,346
Thu's open int 18,386, up 200

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97			67.42	unch.	3,700
Dec 97	62.30	60.80	60.92	-1.12	20,223
Feb 98	62.15	60.75	60.92	-0.77	8,485
Apr 98	59.85	58.75	58.80	-0.65	3,587
Jun 98	66.57	65.65	65.95	-0.22	1,737

Est. sales 6,950 Thu's sales 8,412
Thu's open int 39,275, up 962

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 98	61.00	59.55	60.65	+0.02	6,945
Mar 98	60.90	59.40	60.40	-0.07	851
May 98	61.55	60.90	61.75	-0.45	184

Est. sales 2,345 Thu's sales 2,188
Thu's open int 8,140, up 187

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Dec 97	1659	1630	1646	+18	44,189
Mar 98	1690	1665	1682	+19	28,721
May 98	1710	1695	1703	+18	12,310
Jul 98	1727	1718	1722	+17	3,746
Sep 98	1738	1738	1738	+14	4,735
Dec 98	1762	1750	1753	+14	9,098

Est. sales 7,932 Thu's sales 10,143
Thu's open int 114,185, up 792

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 97	158.50	149.50	150.30	-6.95	11,941
Mar 98	146.50	139.00	140.00	-4.15	6,887
May 98	142.50	136.25	136.40	-3.90	2,437
Jul 98	137.75	132.90	132.90	-2.10	2,358
Sep 98	134.25	128.90	128.90	-3.15	539

Est. sales 12,420 Thu's sales 13,024
Thu's open int 24,652, up 377

SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 98	11.77	11.68	11.68	-0.10	90,966
May 98	11.79	11.73	11.74	-0.06	25,225
Jul 98	11.71	11.64	11.64	-0.08	18,963
Oct 98	11.69	11.59	11.60	-0.09	16,795

Est. sales 14,016 Thu's sales 11,360
Thu's open int 156,173, off 139

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Nov 97	69.80	68.10	68.35	+0.05	73,429
Jan 98	73.15	71.30	71.65	+0.05	14,721
Mar 98	74.80	74.80	74.80	unch.	9,066
May 98	78.80	78.00	78.00	+0.20	2,189

Est. sales N.A. Thu's sales 4,942
Thu's open int 40,872, off 760

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97	324.30	323.00	324.30	-1.20	135
Nov 97			324.90	-0.60	1
Dec 97	327.70	324.50	326.20	-0.60	85,673
Feb 98	329.40	326.00	327.60	-0.50	22,407
Apr 98	330.50	328.00	329.30	-0.40	5,996
Jun 98	331.50	329.50	331.20	-0.30	10,439
Aug 98			333.20	-0.30	4,842
Oct 98			335.20	-0.20	486
Dec 98	337.30	335.50	337.20	-0.10	9,462

Est. sales 43,000 Thu's sales 35,044
Thu's open int 174,639, up 1,227

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	94.90	94.25	94.70	+0.35	783
Nov 97	95.50	94.70	95.15	+0.35	2,526
Dec 97	96.20	95.00	95.75	+0.25	27,121
Jan 98	96.40	95.95	95.95	+0.45	1,063
Feb 98	96.20	95.85	95.85	+0.35	1,154
Mar 98	96.50	95.55	96.10	+0.35	6,395
Apr 98	96.20	95.50	95.75	+0.35	1,021
May 98	95.70	95.20	95.70	+0.25	2,788
Jun 98	96.00	95.20	95.20	+0.40	1,004

Est. sales 7,000 Thu's sales 13,597
Thu's open int 52,980, up 937

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97			492.40	+4.80	6
Nov 97			494.80	+4.80	1
Dec 97	497.50	488.00	495.80	+4.80	68,554
Jan 98			497.10	+4.80	20
Mar 98	503.50	496.50	501.70	+4.80	20,056
May 98	505.00	500.00	504.40	+4.80	3,232
Jul 98	508.00	507.20	507.20	+4.80	2,763
Sep 98			509.90	+4.80	641

Est. sales 17,000 Thu's sales 32,269
Thu's open int 102,047, off 1,822

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97	423.00	419.80	419.80	-7.70	148
Jan 98	426.00	420.50	421.80	-7.70	13,365
Apr 98			417.30	-7.20	942
Jul 98			413.80	-7.20	21

Est. sales N.A. Thu's sales 1,768
Thu's open int 14,477, up 281

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1603.00	1604.00	1603.00	1604.00
Forward	1627.00	1628.00	1624.00	1625.00
Copper Cathodes (High Grade)				
Spot	2086.00	2087.00	2090.00	2092.00
Forward	2106.00	2107.00	2110.00	2111.00
Lead				
Spot	598.00	599.00	601.00	602.00
Forward	609.00	610.00	612½	613.00
Nickel				
Spot	6455.00	6465.00	6485.00	6495.00
Forward	6540.00	6550.00	6570.00	6580.00
Tin				
Spot	5530.00	5540.00	5615.00	5620.00
Forward	5580.00	5585.00	5660.00	5665.00
Zinc (Special High Grade)				
Spot	1286.00	1287.00	1298½	1299½
Forward	1301.00	1302.00	1315.00	1316.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Dec 97	95.06	95.01	95.05	+0.02	4,970
Mar 98	95.05	95.00	95.05	+0.01	4,209
Jun 98			94.98	unch.	263

Est. sales N.A. Thu's sales 412
Thu's open int 9,342, off 50

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	107-25	106-59	107-02	-20	226,799
Jun 98				-14	unch.

Est. sales 60,000 Thu's sales 51,724
Thu's open int 228,187, off 471

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	110-08	109-17	109-24	-14	377,362
Mar 98	109-19	109-13	109-13	-14	18,846
Jun 98			109-05	-14	2

Est. sales 125,000 Thu's sales 106,015
Thu's open int 396,110, off 1,823

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Dec 97	115-21	114-16	114-27	-21	639,501
Mar 98	115-04	114-07	114-17	-21	68,815
Jun 98	114-14	114-06	114-06	-21	8,275
Sep 98			113-28	-21	2,006

Est. sales 60,000 Thu's sales 549,745
Thu's open int 722,257, up 7,269

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	119-06	118-10	119-02	+0-07	188,306
Mar 98	119-00	118-20	118-31	Unch.	4,129
Jun 98	N.T.	N.T.	118-26	Unch.	0

Est. sales: 117,382. Prev. sales: 154,514
Prev. open int.: 192,435 up 7,089

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	101.92	101.53	101.76	-0.16	292,108
Mar 98	101.05	101.00	101.04	-0.16	8,213

Est. sales: 221,022. Prev. sales: 316,796
Prev. open int.: 300,321 off 2,468

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	98.26	97.74	98.24	-0.06	122,133
Mar 98	97.74	97.50	97.72	-0.06	6,865
Jun 98	97.14	97.14	97.28	-0.06	0

Est. sales: 203,508.
Open int.: 128,998 off 16,019.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	112.01	111.48	111.82	-0.35	113,886
Mar 98	N.T.	N.T.	N.T.	-0.35	1,437
Jun 98	N.T.	N.T.	111.77	-0.35	0

Est. sales: 52,238. Prev. sales: 63,744
Prev. open int.: 115,323 up 416

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Nov 97	94.31	94.25	94.27	-0.03	38,788
Dec 97	94.12	94.07	94.08	-0.03	10,821
Jan 98	94.22	94.18	94.20	-0.03	3,777

Est. sales N.A. Thu's sales 10,039
Thu's open int 56,124, up 2,590

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Nov 97	94.18	94.11	94.14	-0.04	18,765
Dec 97	94.14	94.07	94.10	-0.03	605,894
Mar 98	94.07	93.98	94.01	-0.05	448,617
Jun 98	93.99	93.89	93.91	-0.07	343,345
Sep 98	93.92	93.80	93.83	-0.08	363,389
Dec 98	93.83	93.70	93.73	-0.09	222,502
Mar 99	93.82	93.69	93.72	-0.09	161,284
Jun 99	93.78	93.66	93.68	-0.09	131,477
Sep 99	93.73	93.62	93.65	-0.09	104,581
Dec 99	93.66	93.56	93.58	-0.09	85,092
Mar 00	93.66	93.57	93.58	-0.09	70,635
Jun 00	93.62	93.53	93.55	-0.09	58,979

Est. sales N.A. Thu's sales 474,728
Thu's open int 2,845,252, up 10,092

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Dec 97	1.6168	1.6080	1.6140	-0.0010	29,721
Mar 98	1.6050	1.6020	1.6084	-0.0008	256
Jun 98			1.6030	-0.0004	27

Est. sales 6,086 Thu's sales 5,507
Thu's open int 30,004, up 143

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Dec 97	.7247	.7231	.7234	+0.0001	49,148
Mar 98	.7279	.7266	.7267	+0.0001	2,215
Jun 98	.7298	.7291	.7291	+0.0001	518

Est. sales 4,782 Thu's sales 7,582
Thu's open int 52,179, off 394

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Dec 97	.5754	.5652	.5665	-0.0087	68,024
Mar 98	.5760	.5680	.5693	-0.0087	2,555
Jun 98			.5719	-0.0087	2,417

Est. sales 27,364 Thu's sales 12,170
Thu's open int 73,299, up 1,041

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Dec 97	.8458	.8350	.8354	-0.0065	86,211
Mar 98	.8525	.8468	.8468	-0.0064	875
Jun 98	.8620	.8584	.8584	-0.0063	165

Est. sales 14,599 Thu's sales 23,402
Thu's open int 87,252, up 3,629

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Dec 97	.6916	.6808	.6827	-0.0084	38,248
Mar 98	.6925	.6873	.6891	-0.0084	1,708
Jun 98			.6954	-0.0084	267

Est. sales N.A. Thu's sales 7,748
Thu's open int 40,329, up 634

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Dec 97	.12655	.12625	.12640	-.00035	26,628
Mar 98	.12255	.12222	.12240	unch.	9,062
Jun 98	.11905	.11895	.11895	unch.	2,078

Est. sales N.A. Thu's sales 10,066
Thu's open int 41,471, up 131

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	92.65	92.62	92.65	+0.02	132,778
Mar 98	92.62	92.58	92.62	+0.01	119,085
Jun 98	92.67	92.61	92.66	+0.02	85,402
Sep 98	92.79	92.72	92.76	Unch.	64,732
Dec 98	92.91	92.85	92.90	+0.01	54,425
Mar 99	93.04	92.99	93.03	-0.01	64,435
Jun 99	93.14	93.11	93.14	-0.03	33,835
Sep 99	93.26	93.19	93.24	-0.04	24,682
Dec 99	93.34	93.27	93.31	-0.05	24,560

Est. sales: 71,996. Prev. sales: 130,013
Prev. open int.: 650,870

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Nov 97	96.24	96.24	96.24	Unch.	1,592
Dec 97	96.14	96.09	96.12	-0.01	296,380
Jan 98	96.05	96.05	96.05	-0.02	330
Mar 98	95.80	95.73	95.77	-0.03	327,218
Jun 98	95.51	95.44	95.48	-0.04	267,286
Sep 98	95.31	95.24	95.27	-0.05	197,242
Dec 98	95.12	95.07	95.09	-0.04	160,439
Mar 99	94.96	94.91	94.93	-0.04	179,252
Jun 99	94.83	94.78	94.80	-0.04	80,730
Sep 99	94.72	94.67	94.68	-0.05	71,466
Dec 99	94.59	94.56	94.56	-0.05	60,747
Mar 00	94.50	94.47	94.47	-0.05	34,199

Est. sales: 349,674. Prev. sales: 470,909
Prev. open int.: 1,728,457 off 5,878

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	96.16	96.09	96.15	Unch.	39,952
Mar 98	95.78	95.71	95.77	Unch.	53,938
Jun 98	95.51	95.43	95.48	-0.02	30,020
Sep 98	95.32	95.23	95.30	-0.01	30,080
Dec 98	95.16	95.10	95.14	-0.01	20,854

Est. sales: 104,021.
Open int.: 248,304 up 4,611

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	93.95	93.90	93.94	-0.02	111,371
Mar 98	94.65	94.59	94.61	-0.04	103,154
Jun 98	95.00	94.93	94.97	-0.04	94,151
Sep 98	94.99	94.93	94.96	-0.06	63,159
Dec 98	94.91	94.84	94.87	-0.06	56,494
Mar 99	94.81	94.72	94.76	-0.06	28,145
Jun 99	94.68	94.62	94.63	-0.08	15,137
Sep 99	94.58	94.52	94.52	-0.07	3,750

Est. sales: 59,207. Prev. sales: 92,304
Prev. open int.: 475,561 up 1,745

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 97	71.75	71.36	71.43	+0.25	50,317
Mar 98	73.10	72.85	73.04	+0.22	16,498
May 98	73.90	73.70	73.90	+0.15	8,279
Jul 98	74.85	74.50	74.65	+0.18	7,732
Oct 98	76.45	76.00	76.30	+0.20	794

Est. sales N.A. Thu's sales 6,301
Thu's open int 92,422, off 55

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Nov 97	59.40	56.90	56.90	-1.11	38,617
Dec 97	60.30	57.90	57.90	-1.08	42,977
Jan 98	60.80	58.90	59.25	-0.33	21,916
Feb 98	61.00	59.30	59.20	-0.48	11,409
Mar 98	60.10	58.80	59.20	+0.22	8,177
Apr 98	57.90	57.60	57.90	+0.57	5,146
May 98	56.65	56.30	56.65	+0.77	3,403

Est. sales N.A. Thu's sales 29,513
Thu's open int 142,209, up 1,401

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Nov 97	21.55	20.50	20.65	-0.32	56,222
Dec 97	21.75	20.70	20.75	-0.34	186,445
Jan 98	21.65	20.55	20.60	-0.48	48,449
Feb 98	21.50	20.50	21.50	+0.51	27,773
Mar 98	21.35	20.80	20.95	+0.05	15,511
Apr 98	21.20	20.87	21.20	+0.39	12,901

Est. sales N.A. Thu's sales 100,074
Thu's open int 428,235, up 1,679

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Nov 97	3.320	3.190	3.288	+0.041	48,428
Dec 97	3.390	3.275	3.353	+0.034	42,144
Jan 98	3.345	3.281	3.314	+0.050	28,111
Feb 98	2.980	2.910	2.964	+0.024	29,950
Mar 98	2.685	2.620	2.665	+0.025	14,598
Apr 98	2.415	2.355	2.383	+0.008	8,958

Est. sales N.A. Thu's sales 73,756
Thu's open int 249,564, up 11,282

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Nov 97	61.40	59.10	59.30	-0.38	28,913
Dec 97	60.90	58.20	58.70	-0.65	21,906
Jan 98	60.70	58.40	58.40	-0.95	14,319
Feb 98	60.70	59.90	60.60	+1.00	6,630
Mar 98	61.25	60.40	61.25	+1.15	5,596
Apr 98	63.75	63.75	63.75	+0.15	3,695
May 98			62.35	unch.	3,060
Jun 98			61.73	unch.	2,307

Est. sales N.A. Thu's sales 29,192
Thu's open int 93,445, up 3,114

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Nov 97	184.25	181.50	183.50	+ 3.50	35,103
Dec 97	185.25	183.00	184.75	+ 3.50	19,329
Jan 98	186.25	184.25	186.00	+ 3.25	14,960
Feb 98	186.00	184.50	186.00	+ 3.00	7,445
Mar 98	183.50	182.25	183.50	+ 3.00	4,102
Apr 98	180.00	180.00	181.00	+ 3.00	2,465
May 98	N.T.	N.T.	178.50	+ 3.00	1,381

Est. sales:16,251. Prev. sales: 12,688
Prev. open int.: 98,476 up 1,429

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Dec 97	20.56	19.90	19.75	-0.04	80,892
Jan 98	20.50	19.65	19.78	-0.14	32,862
Feb 98	20.31	19.80	19.70	-0.15	14,976
Mar 98	20.17	19.80	19.56	-0.22	5,612
Apr 98	19.89	19.73	19.42	-0.23	3,217
May 98	19.61	19.59	19.28	-0.25	3,587

Est. sales: 38,500. Prev. sales: 39,629
Prev. open int.: 154,606 off 16,271.

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	Opint
Dec 97	959.20	935.50	950.00	-9.80	189,495
Mar 98	967.75	948.00	961.50	-8.85	4,109
Jun 98	973.00	972.00	973.80	-8.05	1,336

Est. sales N.A. Thu's sales 72,549
Thu's open int 195,427, up 1,885

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Dec 97	5360.0	5271.0	5350.0	-35.0	73,799
Mar 98	N.T	N.T	5390.0	-35.5	2,140

Est. sales: 9,470. Prev. sales: 10,892
Prev. open int.: 75,939 up 185

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Oct 97	2986.0	2958.0	2972.0	-37.0	30,005
Nov 97	2988.0	2970.0	2980.0	-37.0	11,942
Dec 97	2994.0	2979.5	2988.0	-36.5	17,452
Mar 98	3012.0	3012.0	3013.0	-36.5	10,640

Est. sales: 24,497.
Open int.: 84,471 up 747.

Commodity Indexes

	Close	Previous
Moody's	1,525.00	1,527.60
Reuters	1,866.70	1,882.20
D.J. Futures	145.35	146.27
CRB	242.45	243.92

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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France Telecom Offer Is a Hit With Investors

$7.2 Billion in Stock to Trade Monday

Compiled by Our Staff From Dispatches

PARIS — France Telecom SA's initial public offering drew more than 3.9 million individual investors on Friday and was hailed by the government as a great success.

The sale of almost a fourth of Europe's second-biggest telephone company, after Deutsche Telekom AG, will raise 42 billion francs ($7.17 billion), making it France's biggest initial public offering ever.

Demand from individual investors outstripped the government's allocation of 105.5 million shares, worth 19.2 billion francs, by 2.9 times, the Finance Ministry said. The 103.5 million share allocation for institutional investors, worth 19.4 billion francs, was oversubscribed by close to 20 times.

France Telecom shares start trading Monday in Paris and New York.

The government intends to keep a stake of 62 percent to 63 percent in France Telecom, Finance Minister Dominique Strauss-Kahn said. In addition to this public offering, the government plans a 7.5 percent stake swap with Deutsche Telekom and a capital increase of about 5 percent in the second half of 1998.

Mr. Strauss-Kahn said of the institutional investors seeking shares: "Two-thirds of them were from abroad and 20 percent from the United States." More than half of France Telecom's' employees have also signed up to buy shares, and bidding for them has not yet closed.

The France Telecom sale comes amid a plethora of telecommunications offerings worth about $40 billion worldwide as governments move to sell state monopolies, and as European companies themselves prepare for the opening of national markets next year. In Europe, governments in Italy, Portugal and Hungary have plans to further reduce stakes in their national operators this year.

Having publicly traded shares is intended to help France Telecom better compete abroad by allowing it to raise capital on the markets and swap shares with key partners.

"France Telecom is hot," said Eileen Ohnell, an analyst at Renaissance Capital Corp. "With the globalization of telecommunications, there's a perception that these are going to be important players."

The success of France Telecom's offering sets the stage for Italy's biggest privatization, with investors showing enormous interest before the sale of stock in Telecom Italia SpA next week, government and banking sources said. The Treasury is placing a minimum 1.5 billion Telecom Italia shares on the market, representing 28.5 percent of the company's capital.

Meanwhile, in Finland, the cooperative that owns the telephone operator Helsingin Puhelin Oyj, Helsingin Puhelin Yhdistys, is issuing 6 million shares and listing them on the stock exchange. *(Bloomberg, AFP, AP, Reuters)*

Boeing Hits Airbus Turf With Job Ads

Compiled by Our Staff From Dispatches

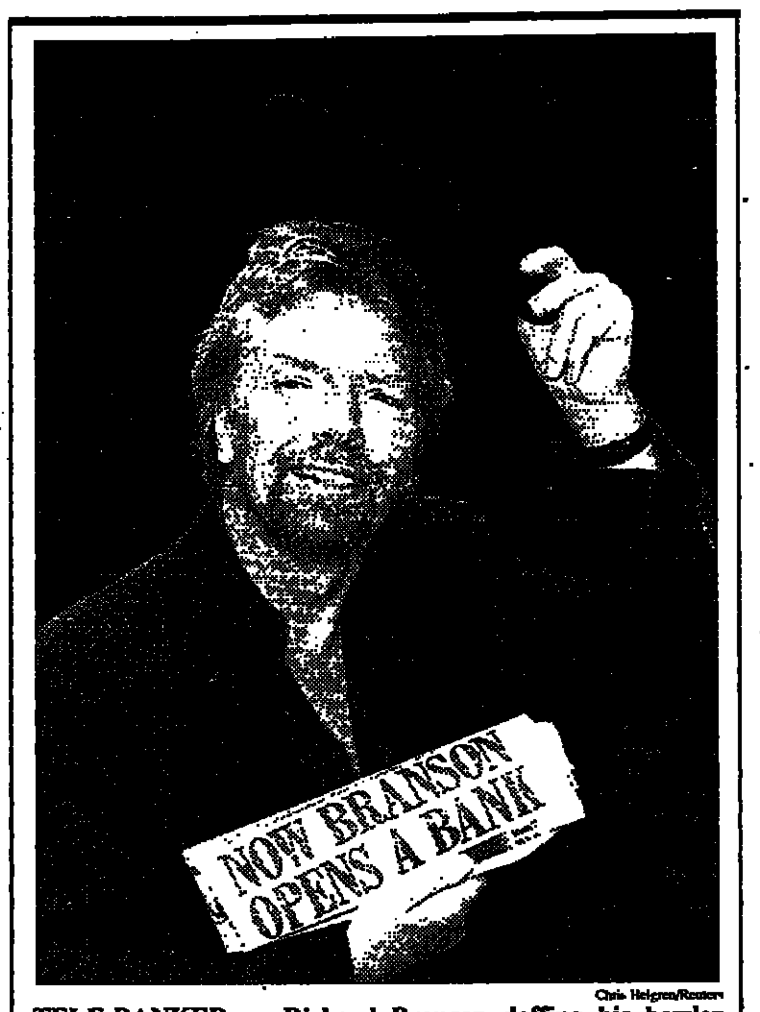
TOULOUSE, France — Boeing Co. is advertising engineering vacancies in La Depeche du Midi, the regional paper in the Toulouse area where Airbus Industrie has its headquarters, and in other French publications.

"World's biggest aerospace company seeks engineers," the advertisement says. "Jobs offered on the spot in Toulouse."

It invited candidates with two to five years' experience in the aerospace industry to come to interviews at a Toulouse hotel this weekend.

On Oct. 3, Boeing said it would freeze production starts on its 747 and 737 jetliners because of labor and parts shortages that had pushed the company behind schedule.

Airbus and the French state-owned company Aerospatiale, which is a member of the Airbus consortium, said a similar attempt by Boeing a year ago to lure away some of their highly qualified employees had ended in failure. *(AFP, AFX)*



Chris Helgren/Reuters

TELE-BANKER — Richard Branson doffing his bowler Friday as his Virgin Group Ltd. and Royal Bank of Scotland began a telephone banking service aimed at homeowners.

German Skepticism on Euro

Compiled by Our Staff From Dispatches

GRAINAU, Germany — A Bundesbank council member said Friday that political momentum was driving Europe toward monetary union before the economic foundation had been sufficiently built.

Reimut Jochimsen, known as one of the bank's council members most skeptical about the planned common currency, also attacked what he said was a "fanciful trick" by Italy to qualify for participation, and chided Bonn for straying from strict interpretation of the membership rules.

The political readiness to push through economic and monetary union "in an unhealthy, blindfolded manner" appears hardly stoppable, Mr. Jochimsen said.

He criticized the "euro tax" levied by the Italian government to help reduce its budget deficit, calling it a "fanciful accounting trick."

Mr. Jochimsen, president of the Bundesbank's regional branch in North Rhine-Westphalia, Germany's most populous state, is among the nation's leaders who fear the economic consequences of replacing the Deutsche mark with an untested euro.

They are wary of linking the German economy more closely to countries they regard as unstable, such as Italy.

The governor of the Bank of France, Jean-Claude Trichet, meanwhile, said that interest rates in the euro zone would be aligned on the lowest rates at the moment and not on an arithmetical average.

"Part of the market is making a mistake," he said. "It is reasoning incorrectly in foreseeing that the euro zone will have interest rates aligned on the average of current European rates." *(Bloomberg, AFP)*

EU Official Ridicules Plan to Cut Workweek

Compiled by Our Staff From Dispatches

BRUSSELS — The European Union's industry commissioner, Martin Bangemann, lashed out Friday at plans in France and Italy to cut the workweek, saying that such action was poisonous for jobs and bad for economic growth.

"It is the opposite of what we should do," Mr. Bangemann said. "Of course it would slow down to a certain extent economic growth because it is slowing down employment."

Prime Minister Lionel Jospin of France announced plans last week for a law that would cut the workweek from 39 hours to 35 in January 2000.

In Italy, Prime Minister Romano Prodi has engineered the survival of his center-left government, which was in jeopardy last week, by promising to bring in a 35-hour week by 2001.

France's finance minister, Dominique Strauss-Kahn, said Friday that he believed the Jospin plan would create tens, if not hundreds, of thousands of jobs.

"Employer organizations would be wrong to sulk over this," Mr. Strauss-Kahn said. "This will all be negotiated company by company, the system will take effect, and I'm convinced it will result in the creation of tens of thousands if not hundreds of thousands of jobs in this country."

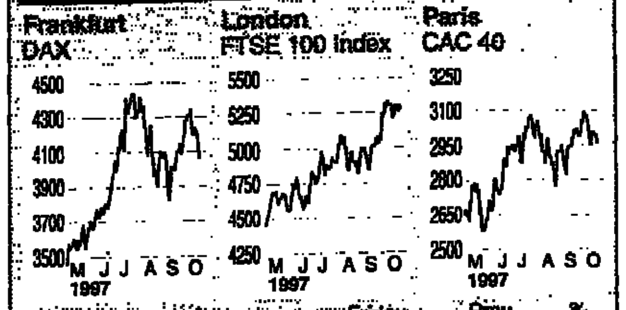
But Mr. Bangemann said that experience showed such plans would only increase unemployment.

"All experience in the past shows lowering working hours does the opposite of cutting unemployment," he said at the annual EU/Japan Industrialists Round Table.

"I cannot stand these politicians or other people who are trying to do something and they are doing exactly the opposite of what could bring them success," he said.

He spoke just over a month before European Union leaders are scheduled to meet to discuss action to reduce unemployment, which stood at 10.6 percent in August in the 15-country bloc. *(Reuters, AFX)*

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	904.59	912.01	-0.81
Brussels	BEL-20	2,389.51	2,430.11	-1.67
Frankfurt	DAX	4,061.50	4,118.22	-1.38
Copenhagen	Stock Market	650.60	652.47	-0.29
Helsinki	HEX General	3,768.63	3,825.36	-1.48
Oslo	OBX	738.71	745.78	-0.95
London	FTSE 100	5,271.10	5,287.90	-0.32
Madrid	Stock Exchange	586.70	594.92	-1.38
Milan	MIBTEL	15727	15981	-1.59
Paris	CAC 40	2,958.82	2,992.87	-1.16
Stockholm	SX 16	3,433.34	3,506.82	-2.10
Vienna	ATX	1,406.68	1,423.42	-1.18
Zurich	SPI	3,672.95	3,702.94	-0.81

Source: Telekurs — International Herald Tribune

Very briefly:

- **Allianz AG** indicated it could be interested in acquiring **Assurances Generales de France SA**, after a hostile takeover bid by Italy's **Assicurazioni Generali SpA** for the French insurer was rejected this week.
- **Koninklijke PTT Nederland NV** will spin off its postal services next year as part of a split intended to allow its mail and telecommunications units to make alliances and expand. The postal unit's shares will be listed in Amsterdam and New York.
- **Russia's International Co. for Finance & Investment** is suing **RAO Gazprom** for refusing to pay 37 billion rubles ($6.29 million) of maturing promissory notes, known as *veksels*.
- **Union Bank of Switzerland** said a Zurich appeals court had backed its plan to introduce a single bearer share, rejecting a lawsuit by Martin Ebner's **BK Vision AG** opposing the share issue on the grounds that it would dilute the rights of existing shareholders.
- **AO Avtovaz**, the debt-burdened maker of Russia's Lada cars, won a reprieve from bankruptcy with a 10-year deal with the government to reschedule its $800 million tax debt.
- **Troika Dialog**'s chairman, Peter Derby, resigned from the Russian investment bank. The reasons for his departure were not disclosed.
- **Renault** said it had developed an electric vehicle, called the Fever, that was powered by a battery and had a range of as much as 500 kilometers (300 miles).
- **Liechtenstein** said it would begin selling its stake in **Liechtensteinische Landesbank AG** next year but would still hold a majority of the bank's stock.
- **Volkswagen AG** said the number of employees at its factory in Mosel, Germany, would rise by 1,000, to 3,800, by year-end to help meet the strong demand for its cars.

Reuters, Bloomberg, AFP, AFX

WORLD STOCK MARKETS

Friday, Oct. 17
Prices in local currencies.
Telekurs

Amsterdam
AEX Index: 904.59 Previous: 912.01

	High	Low	Close	Prev.
ABN-AMRO	39.90	38.80	39.90	39.80
Aegon	164.50	162.50	163.50	166.40
Ahold	51.60	49.70	51.60	51.50
Akzo Nobel	351	340	350.50	353
Baan Co.	142	138.70	141.20	141.50
Bols Wess cva	34.50	33.80	34	34.80
CSM cva	92.30	91.70	91.60	92.40
Dordtsche Pet	111.80	110.10	110.90	111.30
DSM	182.50	180.20	181.10	182.50
Elsevier	32.80	32.30	32.70	33
Fortis Amev	81.50	80.20	81	82.50
Getronics	72.30	71	71.80	72.50
G-Broc cva	57.70	56.40	57.50	58.20
Hagemeyer	97.50	95.50	97	97
Heineken	341.70	338.50	340.90	342
Hoogovens cva	116.90	114.60	115.10	118.30
Hunt Douglas	88	85.20	85.50	88
ING Group	89	87.60	88.90	89.90
KLM	69.70	67.80	68.70	70.60
KNP BT	50.10	49.10	49.50	50
KPN	74.20	72	73.30	74.30
Nedlloyd Gp	70.50	69	70.20	71.30
Nutricia	59.20	57.90	58	59
Oce Grinten	245.80	240	240.60	246
Philips Elec	160.10	156.20	160	159.90
Polygram	118.90	113.50	115	119.70
Randstad Hdg	80.30	80	80	81
Robeco	192.80	192	192.80	193
Rodamco	60	59.80	59.80	60
Rolinco	191	190.50	190.50	191.50
Rorento	118.30	117.90	117.90	118.30
Royal Dutch	110	108.40	109.80	110.40
Unilever Cvo	106	103.10	105.60	106.70
Vendex Intl	111	109.70	110.30	112
VNU	44.70	43.80	44.30	45
Wolters Kl cva	260.70	257	260	261.60

Bangkok
SET Index: 525.64 Previous: 531.58

	High	Low	Close	Prev.
Adv Info Svc	252	248	248	254
Bangkok Bk F	164	153	157	162
Krung Thai Bk	21	20.50	20.50	21.25
PTT Explor	400	398	400	402
Siam Cement F	566	566	566	566
Siam Com Bk F	96	95	95.50	97.50
Telecomasia	28.75	28	28	28.75
Thai Airways	55	54	54	54.50
Thai Farm Bk F	121	116	117	121
Utd Comm	100	98.50	99	101

Bombay
Sensex 30 Index: 4186.26 Previous: 4077.05

	High	Low	Close	Prev.
Bajaj Auto	620	609.50	619.50	605.25
Hindust Lever	1439	1407.75	1428.25	1401.25
Hindust Petm	502.50	495.25	502	499.25
Ind Dev Bk	103.75	102.50	103.25	103
ITC	616.50	601	605.25	600.25
Mahanagar Tel	274.50	270.50	273.25	270.50
Reliance Ind	414.75	400.75	403	404.25
State Bk India	292.50	285.75	287	288.75
Steel Authority	16.25	15.75	15.75	16
Tata Eng Loco	353.75	343.25	345.50	350.50

Brussels
BEL-20 Index: 2389.51 Previous: 2430.11

	High	Low	Close	Prev.
Almanij	1640	1610	1640	1640
Barco Ind	7450	7320	7390	7400
BBL	9380	9240	9350	9400
CBR	3250	3160	3170	3290
Colruyt	19625	18725	19050	20000
Delhaize Lion	1750	1720	1740	1765
Electrabel	7460	7390	7430	7410
Electrafina	3425	3380	3420	3490
Fortis AG	7180	7080	7120	7240
Gevaert	1630	1540	1570	1630
GBL	5800	5630	5640	5710
Gen Banque	14575	14400	14475	14850
Kredietbank	14700	14350	14600	14800
Petrofina	14325	14100	14125	14475
Powerfin	5010	5000	5010	5030
Royale Belge	9550	9460	9480	9610
Sbc Gen Belg	3300	3220	3255	3315
Solvay	2160	2095	2145	2150
Tractebel	3030	3000	3015	3030
UCB	129650	127200	128650	130300

Copenhagen
Stock Index: 650.60 Previous: 652.47

	High	Low	Close	Prev.
BG Bank	478	437	460	446.45
Carlsberg B	381	374	375	376
Codan Fors	1118.60	1000	1015	1000
Danisco	384	374	380.96	384
Den Danske Bk	725	704	725	714.46
D/S Svendborg B	452300	450000	451000	457500
D/S 1912 B	316000	312000	312312	320000
FLS Ind B	191	185	186	188
Kob Lufthavne	815	809	815	809
Nvo Nordisk B	770	758	768	774
Sophus Ber B	1070	1050	1070	1070
Tele Danmk B	353	346	349	355
Tryg Baltica	441	429	430	440
Unidanmark A	466	457	464.19	465

Frankfurt
DAX: 4061.50 Previous: 4118.22

	High	Low	Close	Prev.
AMB B	182.70	182	182	184
Adidas	240.50	238	238.90	244
Allianz Hldg	436.50	428	430.80	428.50
Altana	134.90	129.60	130.50	136
Bk Berlin	47.90	47.45	47.90	48.10
BASF	60.30	60	60.10	60.55
Bayer Hypo Bk	78	77.25	78	79.60
Bay Vereinsbank	104.50	103.10	103.90	106.30
Bayer	65.60	65.15	65.35	65.05
Beiersdorf	78.50	78	78.10	79.50
Bilfinger	42	41.20	41.55	41.80
BMW	1386	1373	1383	1415
CKAG Colonia	168	165	165	169.20
Commerzbank	64.50	63.55	63.70	64.70
Daimler Benz	134.70	133.10	133.50	134.35
Degussa	87.80	86.70	87.50	86.30
Deutsche Bank	123.40	122.50	122.75	122.70
Deut Telekom	33.40	32.80	33	33.65
Dresdner Bank	81	80.30	80.45	81
Fresenius	299	296	299	293
Fresenius Med	135.50	133	133	135.10
Fried. Krupp	362	360	362	356.50
Gehe	89.10	88.20	89.10	88.40
Heidelbg Zmt	157	154	154	159
Henkel pfd	105.80	104.50	105	106.30
HEW	474	474	474	475
Hochtief	83	81.20	81.90	82.50
Hoechst	76.25	74.90	75.25	75.85
Karstadt	603	592	594	605
Lahmeyer	92	91.60	92	93.50
Linde	1165	1130	1140	1175
Lufthansa R	32.65	32.02	32.02	32.95
MAN	529	524	528.50	530
Mannesmann	801.50	793	795.50	812
Metallgesellschaft	38.70	38.50	38.55	38.70
Metro	80.50	79.52	80.20	79.70
Munch Rueck R	573	556	557	580
Preussag	500.50	496	499	504
RWE	86	84.10	85	86
SAP pfd	488.50	479	484	499.20
Schering	176	174.10	175	175.20
SGL Carbon	263	252	258	263
Siemens	121	119.45	119.60	121.50
Springer (Axel)	N.T.	N.T.	N.T.	1540
Suedzucker	898	880	898	880
Thyssen	411	406.50	407	412.50
Veba	98.35	95.60	96.40	99.60
VEW	574.50	565	574.50	572
Viag	854	843.50	853.50	849
Volkswagen	1152.50	1148	1148.50	1165

Helsinki
HEX General Index: 3748.62 Previous: 3825.34

	High	Low	Close	Prev.
Enso A	57	56.50	56.50	57.70
Huhtamaki I	222	214	218	216
Kemira	57.70	57	57.50	57.50
Kesko	73.60	73	73.60	74
Merita A	26.40	25.80	26.30	26.58
Metra B	149.50	148	148.50	149.50
Metso-Serla B	49.70	49	49.70	50.20
Neste	134	132	132	135
Nokia A	508.50	497.50	501.50	512
Orion-Yhtymae	192.50	189.10	191	193
Outokumpu A	90.50	89	89	90.50
UPM Kymmene	149	147.80	148	149.80
Valmet	95.90	94.50	94.50	95.50

Hong Kong
Hang Seng: 13601.81 Previous: 13547.26

	High	Low	Close	Prev.
Amoy Props	7.90	7.65	7.90	7.90
Bk East Asia	26.20	25.30	25.70	25.40
Cathay Pacific	9.90	9.20	9.90	9.65
Cheung Kong	77.25	73.75	76.25	76
CK Infrastruct	21.40	19.75	21	20.20
China Light	39.70	38.40	39.10	39
Citic Pacific	40.50	38.10	40.30	39.80
Dao Heng Bk	29.20	28.45	28.50	28.65
First Pacific	6.95	6.45	6.55	7
Hang Lung Dev	13.65	13.30	13.55	13.60
Hang Seng Bk	89.75	85.75	89	86.75
Henderson Inv	7.60	7.35	7.45	7.45
Henderson Ld	58.25	56.25	57.50	57.75
HK China Gas	15.10	14.70	14.85	14.90
HK Electric	28.80	27.90	28.20	28.80
HK Telecomm	16.95	16.25	16.55	16.75
Hopewell Hldgs	3.65	3.45	3.60	3.52
HSBC Hldgs	237	229	233	234
Hutchison Wh	67.50	64.25	66.50	66.50
Hysan Dev	21.95	21	21.75	21.20
Johnson El Hdg	21	20.80	20.80	21.10
Kerry Props	17.50	17.50	17.50	17.50
New World Dev	41.50	40.20	41	41.40
Oriental Press	2.25	2.17	2.25	2.20
Pearl Oriental	0.82	0.75	0.82	0.77
SHK Props	85.75	82	85.25	86
Shun Tak Hdgs	4.70	4.50	4.65	4.63
Sino Land Co.	6.90	6.60	6.85	6.75
Sth China Post	6.60	6.30	6.45	6.60
Swire Pac A	56.50	53	55.75	56.25
Wharf Hdgs	25.05	24.60	24.95	25.05
Wheelock	14.35	13.80	14.30	14

Jakarta
Composite Index: 520.69 Previous: 517.09

	High	Low	Close	Prev.
Astra Intl	2625	2475	2550	2600
Bk Intl Indon	825	775	800	800
Bk Negara	800	775	775	750
Gudang Garm	9100	8800	9100	8800
Indocement	2025	2000	2000	2000
Indofood	3975	3900	3950	3950
Indosat	9200	8950	8975	9050
Sampoerna HM	6050	5975	6000	5975
Semen Gresik	3325	3225	3300	3275
Telekomunikasi	3700	3550	3625	3625

Johannesburg
All Market: 7257.81 Previous: 7225.35

	High	Low	Close	Prev.
ABSA Group	31.20	31.15	31.20	31.35
AngloAm Coal	290	286	286	293
AngloAm Corp	258.60	254.20	256.80	259.20
AngloAm Gold	270	262.60	262.60	271.60
AngloAm Ind	176.40	176	176	177
AngloAm Plat	86.90	85.20	85.90	87
AVMIN	11.65	11.50	11.40	11.70
Barlow	52.70	52.60	52.70	53.20
C.G. Smith	23.55	23.40	23.55	24
De Beers	144	142	144	143.40
Driefontein	32.90	32.60	32.75	33.50
Fst Natl Bk	41.30	41	41	42
Gencor	12.65	12	12.55	12.20
GFSA	101.60	99.50	99.80	102
Imperial Hdgs	64	63.40	64	64
Ingwe Coal	23.50	23	23	24
Iscor	3.02	3.01	3.01	3.03
Johnnies Indl	62	60.40	60.60	62
Liberty Hdgs	365	353	353	356
Liberty Life	134.60	133.40	133.40	135.20
LibLife Strat	16.50	15.90	16.10	16.70
Minorco	100.40	99.40	99.80	100.60
Nampak	17.65	17.40	17.40	17.65
Nedcor	107.80	106	106.20	109
Rembrandt Gp	44.75	44.05	44.25	45.50
Richemont	61.20	60.80	61	61.80
SA Breweries	134.40	133	134.40	136
Samancor	36.50	36	36	36.75
Sasol	63.60	62.40	63	64
SBIC	217.60	216	216	220
Tiger Oats	77	75.80	75.80	76.60

Kuala Lumpur
Composite: 794.80 Previous: 802.82

	High	Low	Close	Prev.
AMMB Hdgs	7.80	7.50	7.50	7.60
Genting	10	9.95	10	9.95
Mal Banking	16.30	15.70	15.90	16
Mal Intl Ship F	6.30	5.75	6.30	6
Petronas Gas	9.85	9.65	9.85	9.90
Proton	9.30	8.80	9.30	9
Public Bk	2.55	2.42	2.45	2.43
Renong	3.20	3.16	3.20	3.20
Resorts World	7	6.75	6.75	6.80
Rothmans PM	25	24.50	25	25.50
Sime Darby	6.65	6.25	6.30	6.70
Telekom Mal	10.10	9.75	9.95	10
Tenaga	9.05	8.60	8.70	8.95
Utd Engineers	10.90	10.60	10.60	10.90
YTL	4.48	4.28	4.32	4.32

London
FT-SE 100: 5271.10 Previous: 5287.90

	High	Low	Close	Prev.
Abbey Natl	9.97	9.57	9.87	9.64
Allied Domecq	5.22	5.13	5.16	5.21
Anglian Water	8.25	8.17	8.20	8.25
Argos	6.75	6.67	6.68	6.71
Asda Group	1.56	1.54	1.54	1.56
Assoc Br Foods	5.29	5.24	5.24	5.27
BAA	5.92	5.78	5.87	5.86
Barclays	16.95	16.32	16.78	16.37
Bass	8.42	8.33	8.35	8.37
BAT Ind	5.91	5.70	5.82	5.94
Bank Scotland	5.28	5.20	5.20	5.25
Blue Circle	4	3.92	3.99	3.96
BOC Group	11.27	11.20	11.21	11.25
Boots	9.03	8.93	8.97	9
BPB Ind	3.52	3.47	3.48	3.49
Brit Aerosp	17.02	16.83	16.92	16.92
Brit Airways	6.41	6.25	6.32	6.35
BG	2.76	2.68	2.74	2.71
Brit Land	6.78	6.64	6.64	6.80
Brit Petm	9.38	9.25	9.28	9.27
BSkyB	4.65	4.58	4.61	4.62
Brit Steel	1.85	1.82	1.83	1.84
Brit Telecom	4.75	4.63	4.72	4.70
BTR	2.40	2.31	2.34	2.34
Burmah Castrol	11.25	11.10	11.17	11.17
Burton Gp	1.35	1.33	1.35	1.35
Cable Wireless	5.59	5.37	5.40	5.48
Cadbury Schw	6.32	6.23	6.29	6.25
Carlton Comm	5.27	5.19	5.20	5.32
Comml Union	8.79	8.58	8.76	8.61
Compass Gp	6.77	6.70	6.76	6.74
Courtaulds	3.33	3.29	3.31	3.33
Dixons	6.80	6.61	6.73	6.68
Electrocomponents	5.03	5	5.02	5.01
EMI Group	6.14	6	6.04	6.10
Energy Group	6.49	5.70	6.43	6.47
Enterprise Oil	7.24	7.05	7.17	7.05
Fam Colonial	1.83	1.81	1.82	1.84
Genl Accident	11.49	11.10	11.49	11.22
GEC	4.17	4.05	4.15	4.06
GKN	14.70	14.30	14.33	14.70
Glaxo Wellcome	13.50	13.24	13.33	13.50
Granada Gp	8.86	8.71	8.77	8.87
Grand Met	6.35	6.25	6.32	6.26
GRE	3.33	3.28	3.33	3.43
Greenalls Gp	3.79	3.75	3.75	3.76
Guinness	6.48	6.27	6.38	6.30
GUS	7.20	7.09	7.16	7.09
Hays	7.64	7.48	7.59	7.51
HSBC Hldgs	18.98	18.52	18.76	18.79
ICI	9.59	9.46	9.51	9.54
Impl Tobacco	3.91	3.86	3.88	3.87
Kingfisher	8.37	8.28	8.35	8.37
Ladbroke	3.10	3.02	3.05	3.02
Land Sec	10.30	10.22	10.25	10.25
Lasmo	2.87	2.80	2.83	2.85
Legal Genl Grp	5.15	5.07	5.10	5.08
Lloyds TSB Gp	8	7.14	7.90	7.97
LucasVarity	2.23	2.15	2.19	2.25
Marks Spencer	6.28	6.19	6.26	6.27
MEPC	5.35	5.30	5.32	5.34
Mercury Asset	13.95	13.80	13.90	13.95
National Grid	2.96	2.90	2.94	2.94
Natl Power	5.67	5.60	5.63	5.64
NatWest	9.78	9.32	9.70	9.40
Next	7.21	7.07	7.12	7.26
Norwich Union	3.65	3.57	3.60	3.60
Orange	2.56	2.49	2.54	2.50
P&O	7.34	7.25	7.25	7.41
Pearson	8.40	8.30	8.33	8.38
Pilkington	1.64	1.60	1.61	1.63
PowerGen	7.60	7.55	7.55	7.59
Premier Farnell	5.15	5.07	5.15	5.12
Prudential	6.94	6.80	6.93	6.91
Railtrack Gp	10.01	9.83	9.94	9.93
Rank Group	3.47	3.40	3.43	3.39
Reckitt Colm	9.90	9.80	9.85	9.92
Redland	3.47	3.38	3.44	3.40
Reed Intl	6.43	6.33	6.37	6.46
Rentokil Initial	2.60	2.57	2.57	2.64
Reuters Hldgs	7.29	7.20	7.23	7.25
Rexam	3.44	3.33	3.43	3.39
RTZ reg	9.85	9.66	9.75	9.82
RMC Group	9.90	9.75	9.78	9.77
Rolls Royce	2.36	2.29	2.34	2.32
Royal Bk Scot	7.02	6.80	7.01	6.85
Royal & Sun All	6.39	6.16	6.24	6.26
Safeway	3.99	3.92	3.99	3.92
Sainsbury	4.66	4.55	4.60	4.58
Schroders	20.25	20.13	20.20	20.18
Scot Newcastle	7.12	7.02	7.09	7.10
Scot Power	4.94	4.83	4.85	4.91
Securicor	2.96	2.89	2.95	2.88
Severn Trent	9.49	9.40	9.40	9.40
Shell Transp R	4.72	4.57	4.57	4.66
Siebe	12.95	12.55	12.55	12.80
Smith Nephew	1.90	1.87	1.88	1.89
SmithKline	6.20	6.06	6.10	6.15
Smiths Ind	9.21	9.08	9.14	9.31
Sthern Elec	4.78	4.72	4.76	4.78
Stagecoach	7.08	6.95	7.04	7.03
Stand Charter	7.87	7.70	7.80	7.85
Tate & Lyle	4.78	4.71	4.77	4.72
Tesco	4.59	4.53	4.59	4.60
Thames Water	9.06	8.98	9.04	9
3i Group	5.17	5.07	5.17	5.10
TI Group	6.55	6.15	6.34	6.71
Tomkins	3.40	3.35	3.40	3.39
Unilever	4.82	4.67	4.77	4.80
Utd Assurance	5.09	4.80	5.07	4.80
Utd News	8.03	7.96	8.01	8
Utd Utilities	7.50	7.44	7.48	7.46
Vendome Lx uts	4.45	4.40	4.45	4.35
Vodafone	3.70	3.55	3.64	3.56
Whitbread	7.91	7.80	7.86	7.88
Williams Hdgs	3.87	3.82	3.86	3.88
Wolseley	5.35	5.27	5.30	5.28
WPP Group	2.78	2.75	2.75	2.77
Zeneca	20.67	20.43	20.48	20.56

Madrid
Bolsa index: 586.70 Previous: 594.92

	High	Low	Close	Prev.
Acerinox	25950	25680	25710	26000
ACESA	1845	1815	1815	1865
Aguas Barcelon	5900	5820	5900	5880
Argentaria	8330	8200	8200	8450
BBV	4300	4235	4250	4345
Banesto	1425	1395	1400	1410
Bankinter	7960	7790	7840	8080
Bco Centro Hisp	2820	2750	2760	2830
Bco Popular	8400	8010	8300	8390
Bco Santander	4390	4340	4370	4440
CEPSA	4520	4450	4500	4510
Continente	2940	2800	2835	2770
Corp Mapfre	7650	7400	7560	7630
Endesa	2845	2750	2760	2800
FECSA	1175	1160	1170	1195
Gas Natural	7180	7060	7060	7170
Iberdrola	1760	1730	1735	1770
Pryca	2500	2420	2450	2535
Repsol	6620	6570	6590	6660
Sevillana Elec	1340	1315	1340	1345
Tabacalera	10070	9820	9940	10100
Telefonica	4330	4275	4295	4340
Union Fenosa	1365	1335	1365	1365
Valenc Cement	2835	2805	2835	2870

Manila
PSE index: 2050.88 Previous: 2036.48

	High	Low	Close	Prev.
Ayala B	14.25	14	14.25	14
Ayala Land	16.50	16	16.50	16
Bk Philip Isl	105	100	104	101
C&P Homes	3.50	3.40	3.50	3.45
Manila Elec A	76.50	75	76	75.50
Metro Bank	290	275	285	277.50
Petron	4.45	4.40	4.40	4.45
PCIBank	160	140	142	144
Phil Long Dist	955	920	950	935
San Miguel B	49.50	48.50	49	50
SM Prime Hdg	6.80	6.80	6.80	6.80

Mexico
Bolsa index: 5229.41 Previous: 5341.76

	High	Low	Close	Prev.
Alfa A	74.00	72.30	72.40	73.00
Banacci B	23.45	22.50	22.50	23.45
Cemex CPO	39.20	38.50	38.50	39.30
Cifra C	16.40	16.04	16.08	16.40
Emp Moderna	39.30	38.00	38.00	39.30
Gpo Carso A1	62.70	61.60	61.80	63.00
Gpo F Bcomer	3.34	3.30	3.30	3.36
Gpo Fin Inbursa	34.00	33.80	34.00	34.50
Kimb Clark Mex	40.15	39.20	39.20	40.15
Televisa CPO	149.00	143.00	143.00	149.80
TelMex L	20.35	19.92	19.92	20.35

Milan
MIB Telematico: 15727.00 Previous: 15981.00

	High	Low	Close	Prev.
Alleanza Assic	16400	16050	16100	16480
Bca Comm Ital	5305	5155	5160	5315
Bca Fideuram	7305	7200	7230	7320
Bca di Roma	1729	1690	1695	1735
Benetton	28500	28150	28150	28550
Credito Italiano	4700	4600	4630	4710
Edison	8950	8820	8835	8965
ENI	10540	10300	10350	10660
Fiat	6110	5980	6000	6170
Generali Assic	39700	38850	39100	39850
IMI	17940	17490	17490	17945
INA	2650	2575	2595	2630
Italgas	6180	6050	6050	6195
Mediaset	8650	8410	8450	8710
Mediobanca	13750	13450	13475	13840
Montedison	1405	1364	1370	1398
Olivetti	1004	959	987	966
Parmalat	2790	2730	2740	2760
Pirelli	5165	5005	5025	5175
RAS	15450	15245	15300	15540
Rolo Banca	25400	24800	24800	25200
S Paolo Torino	14000	13770	13845	13950
Telecom Italia	11285	11120	11190	11240
TIM	7055	6930	6945	7070

Montreal
Industrials index: 3599.85 Previous: 3657.87

	High	Low	Close	Prev.
Bce Mob Com	45¾	45	45	46½
Cdn Tire A	29.30	29	29.15	29.30
Cdn Util A	39.90	39.65	39¾	39.85
CT Finl Svc	45½	45½	45½	45.60
Gaz Metro	18.40	18.20	18.30	18¼
Gt-West Lifeco	32.90	32.70	32¾	32.80
Imasco	46.45	46.35	46.45	46.40
Investors Grp	43.20	43	43.20	43.85
Loblaw Cos	20.40	20.20	20.40	20.35
Natl Bk Canada	19.10	18.80	18.85	19.20
Power Corp	43.65	43.10	43½	43.85
Power Finl	41.80	41.15	41½	41.10
Quebecor B	31	30¾	30¾	31
Rogers Comm B	8.60	8.60	8.60	8.70
Royal Bk Cda	70	69½	69½	70.15

Oslo
OBX Index: 738.71 Previous: 745.78

	High	Low	Close	Prev.
Aker A	141	139	140	140
Bergesen Dy A	219.50	217	217	219
Christiania Bk	28.10	27.50	27.60	28.50
Den norske Bk	33.10	32.80	32.90	33.50
Elkem	126.50	123	123.50	126.50
Hafslund A	43.20	42	43	43.50
Kvaerner Asa	446	422	444	446
Norsk Hydro	416.50	410	415	417
Norske Skog A	250	246	247	252
Nycomed A	179	173.50	176.50	176
Orkla Asa A	654	645	654	655
Petim GeoSvc	487	482	482	485
Saga Petlm A	151.50	149	150	151.50
Schibsted	135.50	132	133	133
Transocean Off	400	390	390	390
Storebrand Asa	55.50	55	55.50	56

Paris
CAC-40: 2958.82 Previous: 2992.87

	High	Low	Close	Prev.
Accor	1111	1078	1092	1135
AGF	susp.	Susp.	Susp.	239.80
Air Liquide	963	940	963	962
Alcatel Alsth	808	798	808	810
Axa-UAP	404	401	403.50	405.50
Bancaire	798	784	797	796
BIC	417	410	411.60	425
BNP	312	306.20	308.20	311
Canal Plus	1078	1052	1052	1080
Carrefour	3529	3472	3483	3538
Casino	356	348	355.50	354
CCF	372	365	367.80	374.30
Cetelem	667	651	654	669
Christian Dior	744	730	730	742
CLF-Dexia Fran	597	587	587	603
Credit Agricole	1317	1317	1317	1311
Danone	928	913	922	926
Elf-Aquitaine	753	742	744	754
Eridania BS	884	851	867	884
Eurodisney	8.05	7.95	8	8.15
Eurotunnel	6.10	5.95	6	6.10
Gen. Eaux	707	693	700	710
Havas	404.50	399.10	404	407.80
Imetal	730	706	718	725
Lafarge	415.90	405.30	408	407.30
Legrand	1183	1163	1178	1192
L'Oreal	2345	2265	2265	2379
LVMH	1177	1153	1161	1172
Michelin B	349.80	342	346.80	353
Paribas A	473	463.60	463.60	470
Pernod Ricard	293	286.10	289.50	290
Peugeot Cit	766	757	757	772
Pinault-Print	2790	2715	2779	2740
Promodes	2074	2036	2062	2084
Renault	167.60	164	167.50	168.10
Rexel	1650	1620	1634	1651
Rh-Poulenc A	268	257.50	268	269
Sanofi	548	526	539	534
Schneider	367.40	355.50	366.80	368.30
SEB	782	752	763	780
SGS Thomson	468	460.60	466	463
Ste Generale	926	903	918	913
Sodexho	3025	2990	2990	3041
St Gobain	903	888	894	903
Suez (Cie)	14.35	14.35	14.35	15.60
Suez Lyon Eaux	624	612	623	631
Synthelabo	700	672	683	700
Thomson CSF	177.80	174	175.80	177.80
Total B	653	640	649	659
Usinor	119	115.60	116	119.30
Valeo	388	377.50	380.50	385.50

São Paulo
Bovespa index: 12451.30 Previous: 12578.26

	High	Low	Close	Prev.
Bradesco Pfd	12.00	11.66	11.75	12.00
Brahma Pfd	800.00	780.00	785.00	785.00
Cemig Pfd	60.20	59.50	60.00	59.80
CESP Pfd	96.70	95.50	95.90	96.50
Copel	17.00	16.75	16.75	16.90
Eletrobras	648.00	627.00	630.01	638.80
Itaubanco Pfd	695.00	680.00	680.00	704.00
Light Servicios	493.00	488.00	490.00	488.00
Lightpar	402.10	401.99	402.00	402.00
Petrobras Pfd	316.00	309.02	311.99	311.99
Paulista Luz	191.00	187.00	188.00	190.00
Sid Nacional	41.40	41.00	41.35	41.40
Souza Cruz	10.25	10.11	10.25	10.35
Telebras Pfd	158.00	153.01	154.00	155.70
Telemig	190.00	184.00	189.90	186.00
Teleri	177.00	173.00	177.00	176.50
Telesp Pfd	411.00	397.00	401.00	411.00
Unibanco	44.60	43.70	44.00	44.20
Usiminas Pfd	11.30	10.95	11.01	11.40
CVRD Pfd	26.70	26.30	26.50	26.61

Seoul
Composite index: 585.49 Previous: 579.25

	High	Low	Close	Prev.
Dacom	70000	66100	68100	67200
Daewoo Heavy	5850	5340	5490	5620
Hyundai Eng.	16900	15400	16500	16000
Kia Motors	6910	6350	6910	6400
Korea El Pwr	18200	17400	17500	17700
Korea Exch Bk	4530	4170	4350	4300
LG Semicon	27300	24800	26700	26600
Pohang Iron St	51000	48100	50700	49000
Samsung Display	40500	38100	39500	39100
Samsung Elec	57500	54000	57200	56200
Shinhan Bank	7110	6800	6950	6800
SK Telecom	420000	398000	410000	407500

Singapore
Straits Times: 1827.39 Previous: 1804.24

	High	Low	Close	Prev.
Asia Pac Brew	5.20	5.20	5.20	5.20
Cerebos Pac	4.82	4.70	4.80	4.62
City Devlts	9.10	8.65	8.65	8.90
Cycle Carriage	7.90	7.40	7.70	7.60
Dairy Farm Intl *	1.01	0.94	1.01	0.94
DBS foreign	16	15.30	15.40	15.60
DBS Land	3.36	3.24	3.26	3.28
Fraser & Neave	8.20	8	8.10	7.95
HK Land *	3.16	3.10	3.16	3.14
Jard Matheson *	7.40	7.25	7.40	7.30
Jard Strategic *	3.94	3.86	3.94	3.94
Keppel A	5.95	5.85	5.85	5.95
Keppel Bank	3.10	3.06	3.06	3.10
Keppel Fels	4.90	4.70	4.82	4.60
Keppel Land	3.54	3.30	3.38	3.32
OCBC foreign	10.60	9.85	10.50	10
OS Union Bk F	6.45	6.15	6.45	6.45
Parkway Hdgs	5.45	5.25	5.35	5.35
Sembawang	5.85	5.65	5.70	5.60
Sing Air foreign	11.70	11.20	11.40	11.40
Sing Land	6.25	6.10	6.10	6.15
Sing Press F	23.90	22.30	22.80	22.30
Sing Tech Ind	2.53	2.48	2.50	2.49
Sing Telecomm	2.55	2.45	2.53	2.45
Tat Lee Bank	2.80	2.78	2.78	2.81
Utd Industrial	0.98	0.97	0.98	0.98
Utd O'Sea Bk F	11.70	10.90	11.20	11.30
Wing Tai Hdgs	3.08	2.99	3	3

*: in U.S. dollars.

Stockholm
SX 16 index: 3433.34 Previous: 3506.82

	High	Low	Close	Prev.
AGA B	118	115	117	119.50
ABB A	105.50	103.50	104	106.50
AssiDoman	241	235	238.50	244
Astra A	128	123.50	124.50	129
Atlas Copco A	248	242.50	247	250
Autoliv	323.50	319.50	321	326.50
Electrolux B	668	662	663	670
Ericsson B	364.50	354.50	360	367.50
Hennes B	315	309	311	314.50
Incentive A	698	692	694	702
Investor B	397	376.50	381	389
MoDo B	281	276	276	282.50
Nordbanken	255	251.50	252.50	257
Pharm/Upjohn	257	251	256.50	256.50
Sandvik B	253.50	250.50	253	255.50
Scania B	226	220	221	226
SCA B	183	177.50	178	183.50
S-E Banken A	91	89.50	90	90.50
Skandia Fors	365	353	357.50	365
Skanska B	305	297.50	298	307.50
SKF B	230.50	228	230	231.50
Sparbanken A	175	170	172	177.50
Stora A	128.50	126.50	127.50	128.50
Sv Handels A	254	248.50	250	256
Volvo B	225.50	221	222	226.50

Sydney
All Ordinaries: 2645.60 Previous: 2653.80

	High	Low	Close	Prev.
Amcor	8.03	7.86	7.96	8.09
ANZ Bking	11.25	10.85	11.19	10.92
BHP	15.20	14.95	15.08	15.19
Boral	4.16	4.08	4.16	4.16
Brambles Ind.	26	25.77	25.92	26.02
CBA	16.82	16.64	16.79	16.77
CC Amatil	12.90	12.06	12.30	13
Coles Myer	6.92	6.80	6.88	6.88
Comalco	6.46	6.30	6.34	6.48
CSR	5.21	5.08	5.10	5.22
Fosters Brew	2.80	2.76	2.77	2.81
Goodman Fid	2.23	2.19	2.20	2.22
ICI Australia	12.52	12.40	12.52	12.52
Lend Lease	29.60	28.98	29.60	29.29
MIM Hdgs	1.58	1.53	1.56	1.55
Nat Aust Bank	20.80	20.20	20.70	20.33
Nat Mutual Hdg	2.47	2.36	2.42	2.46
News Corp	6.78	6.74	6.75	6.80
Pacific Dunlop	3.60	3.54	3.56	3.64
Pioneer Intl	4.33	4.27	4.27	4.37
Pub Broadcast	8.40	8.30	8.31	8.40
Rio Tinto	19.77	19.60	19.61	19.84
St George Bank	8.32	8.19	8.30	8.30
WMC	5.83	5.70	5.78	5.71
Westpac Bking	8.69	8.59	8.66	8.66
Woodside Pet	12.90	12.45	12.72	12.59
Woolworths	4.52	4.48	4.50	4.57

Taipei
Stock Market index: 7832.15 Previous: 7997.81

	High	Low	Close	Prev.
Cathay Life Ins	124.50	113.50	118.50	120.50
Chang Hwa Bk	93.50	89	92	89
Chiao Tung Bk	70.50	63.50	66	68
China Develpmt	92.50	83.50	86	89.50
China Steel	24.40	22.40	24.40	23.30
First Bank	94.50	89.50	93	89.50
Formosa Plastic	53	48.50	52.50	51
Hua Nan Bk	97	92	95.50	92
Intl Comm Bk	54	50.50	53	50.50
Nan Ya Plastics	56.50	51.50	54.50	55
Shin Kong Life	78	71.50	76	75
Taiwan Semi	144	135	139	145
Tatung	30.80	30	30.40	30.30
Utd Micro Elec	74.50	70.50	70.50	75.50
Utd World Chin	55	51	52.50	52.50

Tokyo
Nikkei 225: 17478.42 Previous: 17707.49

	High	Low	Close	Prev.
Ajinomoto	1060	1040	1050	1060
All Nippon Air	587	580	584	576
Amway	3590	3560	3560	3590
Asahi Bank	700	684	700	696
Asahi Chem	540	525	525	533
Asahi Glass	859	840	859	849
Bk Tokyo Mitsu	1910	1860	1880	1900
Bk Yokohama	533	512	531	511
Bridgestone	3000	2940	3000	3000
Canon	3290	3160	3240	3390
Chubu Elec	2010	1990	2000	2010
Chugoku Elec	1870	1850	1870	1880
Dai Nipp Print	2630	2600	2630	2640
Daiei	608	596	604	609
Dai-Ichi Kang	1140	1080	1130	1110
Daiwa Bank	490	475	475	500
Daiwa House	1150	1120	1120	1170
Daiwa Sec	744	733	740	738
DDI	5180a	5000a	5050a	5180a
Denso	3000	2860	2940	2920
East Japan Ry	5790a	5740a	5740a	5800a
Eisai	2040	1980	2040	2120
Fanuc	5070	4930	5010	4980
Fuji Bank	1270	1230	1260	1260
Fuji Photo	5220	5110	5200	5250
Fujitsu	1530	1510	1510	1530
Hachijuni Bk	1180	1170	1180	1170
Hitachi	1080	1060	1070	1090
Honda Motor	4520	4450	4450	4530
IBJ	1370	1300	1370	1320
IHI	278	260	273	262
Itochu	418	406	410	420
Ito-Yokado	6510	6400	6500	6560
JAL	425	403	425	404
Japan Tobacco	1000b	9910a	9920a	9980a
Jusco	2760	2690	2690	2740
Kajima	545	532	532	550
Kansai Elec	2050	2010	2050	2040
Kao	1770	1720	1760	1740
Kawasaki Hvy	352	341	342	352
Kawa Steel	204	198	200	199
Kinki Nipp Ry	678	671	675	671
Kirin Brewery	1020	1000	1000	1020
Kobe Steel	134	131	133	135
Komatsu	717	690	703	693
Kubota	427	413	421	428
Kyocera	7660	7390	7590	7450
Kyushu Elec	1920	1890	1900	1910
LTCB	507	483	490	493
Marubeni	380	357	365	358
Marui	2200	2160	2170	2190
Matsu Comm	4340	4250	4250	4310
Matsu Elec Ind	2270	2240	2270	2280
Matsu Elec Wk	1220	1190	1200	1200
Mitsubishi	1170	1130	1150	1140
Mitsubishi Ch	269	260	265	264
Mitsubishi El	471	455	458	460
Mitsubishi Est	1740	1710	1730	1740
Mitsubishi Hvy	655	641	647	662
Mitsubishi Mat	604	573	573	595
Mitsubishi Tr	1770	1740	1750	1810
Mitsui	986	977	980	993
Mitsui Fudosan	1610	1570	1590	1620
Mitsui Trust	502	485	491	488
Murata Mfg	5800	5580	5800	5650
NEC	1540	1510	1520	1530
Nikko Sec	1750	1700	1710	1780
Nikon	515	490	505	488
Nintendo	11800	11600	11800	11700
Nipp Express	662	635	656	655
Nippon Oil	535	512	512	525
Nippon Steel	253	250	252	256
Nissan Motor	672	665	667	670
NKK	164	159	162	167
Nomura Sec	1600	1570	1580	1600
NTT	1120b	1090b	1120b	1120b
NTT Data	6370b	6180b	6190b	6440b
Oji Paper	619	608	611	621
Osaka Gas	269	263	268	269
Ricoh	1790	1760	1770	1800
Rohm	14300	14100	14100	14400
Sakura Bk	560	543	550	570
Sankyo	4040	3990	4000	4050
Sanwa Bank	1380	1340	1340	1410
Sanyo Elec	428	411	413	439
Secom	8810	8700	8720	8750
Seibu Rwy	4600	4550	4550	4500
Sekisui Chem	893	877	877	885
Sekisui House	1020	1000	1000	1050
Seven-Eleven	9380	9300	9330	9340
Sharp	1040	1020	1040	1040
Shikoku El Pwr	1880	1860	1880	1870
Shimizu	555	541	543	544
Shin-etsu Ch	3460	3410	3420	3480
Shiseido	1830	1810	1830	1830
Shizuoka Bk	1280	1260	1280	1290
Softbank	3680	3420	3500	3570
Sony	12000	11600	12000	11900
Sumitomo	889	847	865	856
Sumitomo Bk	1650	1620	1650	1660
Sumit Chem	447	436	437	440
Sumitomo Elec	1800	1770	1790	1800
Sumit Metal	275	264	273	270
Sumit Trust	1150	1120	1130	1140
Taisho Pharm	3190	3110	3190	3210
Takeda Chem	3760	3700	3730	3830
TDK	11500	11000	11500	11400
Tohoku El Pwr	1910	1890	1910	1890
Tokai Bank	855	830	842	863
Tokio Marine	1410	1390	1390	1420
Tokyo El Pwr	2210	2190	2190	2220
Tokyo Electron	8530	8320	8360	8670
Tokyo Gas	273	266	273	266
Tokyo Corp.	520	495	511	511
Tonen	990	950	969	1010
Toppan Print	1660	1620	1640	1670
Toray Ind	665	654	660	669
Toshiba	611	597	600	617
Tostem	1840	1800	1800	1870
Toyo Trust	970	941	965	960
Toyota Motor	3950	3850	3930	3890
Yamanouchi	3190	3110	3160	3090

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6993.11 Previous: 7092.12

	High	Low	Close	Prev.
Abitibi Cons.	22.95	22.30	22.35	23.15
Alberta Energy	34	33½	33½	33.90
Alcan Alum	45.10	44.10	44.30	44.95
Anderson Expl	16.30	15.90	16.10	16.15
Bk Montreal	57.55	57	57¼	57.85
Bk Nova Scotia	63.45	62½	63	64
Barrick Gold	31.80	31¼	31.40	32
BCE	42.65	41.90	41.95	42¾
BC Telecomm	36.95	36.55	36.85	36.80
Biochem Pharma	41.80	41.80	41.80	43.55
Bombardier B	28.30	27¾	27.90	28.40
Cameco	51¾	51.05	51¼	52
CIBC	39.40	38.80	39.10	39.55
Cdn Natl Rail	76.30	74.95	75	76.70
Cdn Nat Res	42½	41	41¼	42¼
Cdn Occid Pet	37.95	37.35	37½	37.95
Cdn Pacific	42.90	42.20	42.35	42¼
Cominco	32.70	32.40	32.65	32.65
Dofasco	25.90	25½	25.90	25.60
Domtar	11.80	11.55	11.55	11.80
Donohue A	30¼	29¾	29¾	30
Du Pont Cda A	34	33½	33½	33½
EdperBrascan	26	25.70	25.70	25.80
EuroNev Mng	26.20	25.35	25.45	26¼
Fairfax Finl	358	340	358	335
Falconbridge	24¼	23.70	24	23.70
Fletcher Chall A	22.55	22½	22½	22½
Franco Nevada	35.60	35	35½	35¼
Gulf Cda Res	12.65	12.30	12.35	12.65
Imperial Oil	85¾	84.80	85.15	84.95
Inco	32.15	31.55	31.80	31.85
IPL Energy	54.45	54.15	54.20	54.30
Laidlaw B	21	20.55	20.65	20.80
Loewen Group	38	35.65	36.15	37¼
Macmill Bldl	19.45	19.10	19.30	19½
Magna Intl A	98.70	98	98	99¼
Methanex	11.85	11½	11.70	11.70
Moore	26.15	25¾	25.85	26.10
Newbridge Net	87	82.90	83.30	87¼
Noranda Inc	26.20	25.70	25¾	26
Norcen Energy	34.10	33.80	33.90	34.20
Nthern Telecom	148¼	145¼	145.85	149.35
Nova	11.65	11.55	11.40	11.60
Onex	35¼	35.45	35½	35.15
Pancdn Petlm	25½	25¼	25¼	25¼
Petro Cda	27.15	26¾	26.95	26.90
Placer Dome	25	24.55	24½	25.15
Poco Petlm	13.15	12.95	13	13.15
Potash Sask	115½	115	115¼	115½
Renaissance	34¼	33.90	33.90	34
Rio Algom	27.70	27¼	27½	27
Rogers Cantel B	24½	23.85	24	24
Seagram Co	47	44.55	45.10	48.10
Shell Cda A	27.20	26½	27	26¾
Suncor	52.70	51½	51½	52½
Talisman Eny	50.80	50	50	50¼
Teck B	26.40	26	26.10	26.35
Teleglobe	51½	51¼	51.30	51½
Telus	29.40	28¾	28½	29.10
Thomson	34½	33¼	34½	33.65
TorDom Bank	47.65	46.65	47.05	48.05
Transalta	18.90	18.60	18.90	18¾
TransCda Pipe	27.20	26.90	27	27.20
Trimark Finl	77	75½	75¾	76.05
Trizec Hahn	36½	36.10	36.10	36½
TVX Gold	8.05	7.80	8	7.95
Westcoast Eny	28.95	28.30	28.40	28.85
Weston	101	98	99½	102

Vienna
ATX index: 1404.68 Previous: 1423.42

	High	Low	Close	Prev.
Boehler-Uddeh	1052	1036	1043.50	1053
Creditanst Pfd	738	730.35	735.50	742.50
EA-Generali	3164	3121	3163	3170
EVN	1495	1475	1490	1494
Flughafen Wien	523	516.60	522	525
OMV	1850	1832	1844	1852
Oest Elektriz	929	924.15	928	930.50
VA Stahl	581	563.05	564	590.45
VA Tech	2464	2441.50	2450.10	2474.90
Wienerberg Bau	2580	2534.05	2538	2588.40

Wellington
NZSE-40 index: 2583.78 Previous: 2606.14

	High	Low	Close	Prev.
Air N Zeald B	4.07	4.05	4.07	4.07
Brierly Invt	1.35	1.33	1.34	1.36
Carter Holt ord	3.54	3.50	3.50	3.56
Fletch Ch Bldg	5.30	5.26	5.30	5.32
Fletch Ch Eny	7.90	7.82	7.85	7.93
Fletch Ch Forst	1.87	1.85	1.85	1.87
Fletch Ch Paper	3.12	3.10	3.11	3.16
Lion Nathan	3.95	3.90	3.95	3.92
Telecom NZ	8.25	8.18	8.20	8.25
Wilson Horton	11.30	11.30	11.30	11.35

Zurich
SPI index: 3672.95 Previous: 3702.94

	High	Low	Close	Prev.
ABB B	2182	2150	2182	2188
Adecco B	530	522	522	528
Alusuisse R	1429	1402	1402	1439
Ares-Serono B	2585	2500	2510	2585
Atel R	865	865	865	861
Baer Hdg B	2361	2340	2350	2380
Baloise Hdg R	2363	2250	2300	2340
BK Vision	1298	1270	1298	1298
Ciba Spec Chem	145.25	143	145.25	145.25
Clariant R	1174	1157	1172	1181
Crd Suisse Gp R	220.50	215	219.75	218
Elektrowatt B	536	534	535	536
Ems-Chemie	7000	6900	6940	6975
ESEC Hdg	4280	4200	4200	4290
Holderbank B	1375	1358	1367	1383
Liechtenst LB B	570	570	570	566
Nestle R	2112	2075	2109	2123
Novartis R	2273	2236	2249	2290
Oerlikn Bueh R	195.50	191.50	194.75	195
Pargesa Hld B	1800	1780	1790	1800
PharmVisn B	890	868	875	890
Richemont A	1915	1910	1910	1915
Pirelli PC	340	334	337	334
Roche Hdg PC	12640	12400	12530	12680
SBC R	391	385.50	390.50	394
Schindler PC	1750	1735	1750	1750
SGS B	2894	2820	2890	2905
SMH B	900	885	897	905
Sulzer R	1150	1124	1142	1160
Swiss Reins R	2198	2141	2168	2159
SAir Group R	1940	1915	1935	1948
UBS B	1738	1708	1724	1735
Winterthur R	1610	1548	1604	1582
Zurich Assur R	604	587	596	612

The Trib Index
Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	174.43	-3.42	-1.92	+16.96
Regional Indexes				
Asia/Pacific	116.43	-1.02	-0.87	-5.67
Europe	192.65	-4.33	-2.20	+19.51
N. America	202.98	-4.49	-2.16	+25.37
S. America	175.61	-2.65	-1.49	+53.47
Industrial Indexes				
Capital goods	216.63	-5.73	-2.58	+26.74
Consumer goods	194.15	-4.50	-2.27	+20.27
Energy	205.06	-3.43	-1.65	+20.12
Finance	128.78	-2.00	-1.53	+10.58
Miscellaneous	186.45	-2.08	-1.10	+15.25
Raw Materials	178.60	-3.85	-2.11	+1.84
Service	168.25	-2.48	-1.45	+22.52
Utilities	167.53	-3.68	-2.15	+16.78

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. — Compiled by Bloomberg News.

NASDAQ

Friday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar volume, updated twice a year.

The Associated Press.

NYSE

Friday's 4 P.M. Close

(Continued)

هكذا من الأصل

صكنا من الاصل

Gun Gala Frustrates Asians

New Arms on Show But No Cash to Buy

By Thomas Crampton
Special to the Herald Tribune

Thaksina Khalikasw/The Associated Press
General Ismail Hassan of Malaysia checking an Israeli weapon.

BANGKOK — Welcome to Southeast Asia's weapons supermarket.

Down Aisle 1 is the Giat Industries' Leclerc tank that can cross rough terrain while firing 10 rounds a minute at moving targets. Price: $9 million.

In Aisle Two, STN Atlas Elektronik offers a short-range air-defense system that can be mounted on almost any vehicle.

Price: 300 million Deutsche marks ($175 million) for a set of three launch batteries.

Missiles are not included, and some assembly is required.

Nearby, SNC Industrial Technologies sells the 105-mm mortar shells favored by the armies of Southeast Asia.

With a maximum range of 11 kilometers (7 miles), the fragmentation round is designed to kill at up to 30 meters from the point of detonation.

Price: About $500 each. Minimum order, 100.

This year, the only thing missing from the Asian Defense Conference is the customer.

"Normally, sales aren't made inside the show but you get lots of generals asking for details about equipment," said Steve Bruhn, manager of international operations at United Defense, an armored vehicle manufacturer. "This year, only a few of the most senior generals came around, and that was just a courtesy call."

Despite simmering disputes in the region, and some hot ones, too, the recent economic downturn and the plunge in currency values has left the generals virtually penniless.

The one potential winner during the current cash shortage could be Russia, said Derek da Cunha, senior fellow at the Singapore-based Institute of Southeast Asian Studies.

Less expensive weapons and a willingness to accept payment in the region's bountiful basic commodities could quickly increase their share of the weapons market.

"Their equipment is cheaper, and I don't see McDonnell Douglas accepting payment for aircraft in palm or coconut oil, so Russians will have a real advantage," Mr. da Cunha said.

Next week, Russia plans to bring several MiG fighter aircraft and a submarine to another arms show outside Bangkok.

The conference has long been a forum for smooth-talking arms salesmen to show off their wares.

Arms spending has marched in step with the region's fast-paced economic growth.

East Asia was second only to the Middle East for the import of arms last year, according to a study released this week by the London-based International Institute for Strategic Studies.

The study found East Asia imported $10.2 billion worth of weapons, or 26.6 percent of world imports.

A good deal of that spending took place in Southeast Asia, where Indonesia, Thailand, Singapore and Malaysia rank among the top 11 arms importers worldwide.

The region has its share of conflicts.

Reporters pursued the Cambodian co-minister of defense around the show to see if he would inspect weapons that could be used to smash the final stronghold of supporters of deposed first prime minister, Prince Norodom Rannaridh.

Several submarine makers proffered their craft as handy tools for intervention among the disputed Spratly Islands in the South China Sea.

China, Taiwan and four members of the Association of South East Asian Nations have overlapping claims for the potentially oil-rich islands.

In the best years, United Defense sold about $150 million worth of equipment in Southeast Asia. This year, Mr. Bruhn said he hoped the company would break the $10 million mark.

"Last year, it took six people to man the booth at this show, and we were busy the whole time," said the representative of a French defense contractor.

"This year, there are three of us and we may just all leave at 4 P.M. We only showed up because we knew the competition would be here."

The empty aisles brought out a pensive mood in some salesmen.

"Yes, it is slow, but I am not pessimistic," A. Bandyopadyay said at the India Defense Industries stand.

"With the economy coming down, the fighting goes up. The Indian philosophers tell us conflict is inevitable, so the sales of arms is inevitable.

"I am not worried in the long term."

For the men in uniform, this year's showcase has turned into a window shopping expedition. "Many of us in the region face budget cuts across the board, so we are just collecting leaflets for future purchases," said the deputy Malaysian Air Force chief, Dato Sulaiman bin Mahmud.

"We are not looking to buy things right now."

"A lot of people want to buy things they see but they cannot afford them," Colonel Boony Vinich of the Thai Army said. "They come to see what they may buy in three or four years."

Thai-made weapons on display at the show included a dummy missile and an explosive-powered water gun.

Used for shooting at suspected bombs, the Thai water gun costs just 15,000 baht ($400), fifty times cheaper than the U.S.-built equivalent, according to Thai military officials.

Thailand Rescinds Fuel-Tax Increase, Imperiling Bailout

Special to the Herald Tribune

BANGKOK — Thai officials, responding Friday to domestic political pressure, canceled tax increases put in place just two days before.

The move, analysts said, raised concerns that Thailand would not meet the requirements for a huge international bailout it has received to help it overcome its financial crisis.

The reversal on the policy came just hours after it was announced that a crucial package of finance-sector reforms would be delayed.

Sakchai Lalit/The Associated Press
Finance Minister Thanong Bidaya leaving Government House in Bangkok on Friday.

"There is no policy consistency," said Arporn Chewakrengkrai, chief economist at Deutsche Morgan Grenfell. "The government is thinking in terms of day-to-day survival instead of the long-term policy needed for the bailout to work. This sort of behavior endangers the implementation of the IMF program."

"The delayed reforms," said a securities analyst who asked not to be identified, "will keep hitting the market and undermine the good effects of the package."

Reacting to the delayed reforms, but before the policy reversal was announced, the Thai stock exchange index slid 1.17 percent, or 6.24 points, to close at 525.64. In late trading, the dollar rose to 37.10 baht, from 37 baht Thursday.

A one baht per liter tax on gas and diesel was imposed Tuesday to allow the government to raise the 170 billion baht ($4.59 billion), or a budget surplus of 1 percent, required this fiscal year to continue receiving assistance from a $17.2 billion bailout package structured by the International Monetary Fund.

Even with the tax increase and a 100 billion baht cut in spending announced this week, the government is expected to fall 10 billion baht *short of the IMF target.*

The reversal on the tax increase came after a lackluster trip by Prime Minister Chaovalit Yongchaiyut to his political base in northeastern Thailand. Television footage of the trip showed thin crowds of supporters. Fishermen from southern Thailand and truckers across the country had announced their intention to protest the tax increase next week.

Local television also reported that domestic oil retailers had visited the minister who oversees national energy policy on Friday morning.

In the past months of economic troubles, which have included a 40 percent decline in the baht's value against the dollar this year and the virtual shutdown of the finance sector, concerns have been raised about politics derailing an economic rescue.

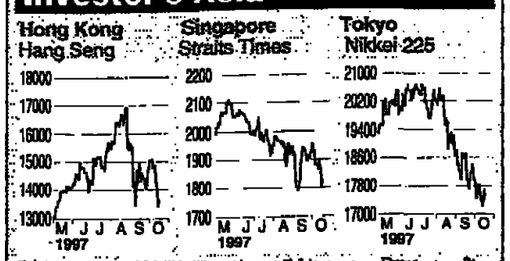
The government also announced that passage of a key set of finance-sector reforms promised for Friday would be delayed until next week while the juridical council rephrased certain passages of the executive decrees.

"A few ministers were not happy with some of the wording," said Chaiyawat Wibulsawadi, the Bank of Thailand's governor. "So the compromise was to send the decrees to the juridical counsel to sort out." The decrees should pass quickly through the cabinet next Tuesday, a government spokesman said.

The measures include the creation of a Financial Restructuring Agency to revive, merge or liquidate 58 suspended finance firms and of an Asset Management Corp. to manage and auction off their assets.

— THOMAS CRAMPTON

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,601.01	13,567.26	+0.25
Singapore	Straits Times	1,827.39	1,804.24	+1.28
Sydney	All Ordinaries	2,645.60	2,653.00	-0.28
Tokyo	Nikkei 225	17,478.42	17,707.49	-1.29
Kuala Lumpur	Composite	794.80	802.02	-0.90
Bangkok	SET	525.64	531.58	-1.12
Seoul	Composite Index	585.49	579.25	+1.08
Taipei	Stock Market Index	7,832.15	7,997.81	-2.07
Manila	PSE	2,050.88	2,036.48	+0.71
Jakarta	Composite Index	520.69	517.09	+0.70
Wellington	NZSE-40	2,583.78	2,606.14	-0.86
Bombay	Sensitive Index	4,106.26	4,047.05	+1.46

Source: Telekurs — International Herald Tribune

Very briefly:

- **Nomura Securities Ltd.**'s president, Junichi Uiije, said any further scandal would destroy the public's trust in the Japanese brokerage giant. Nomura was rocked by scandals in 1991 and again this year, both of them related to illegal payments to *sokaiya*, or corporate racketeers.
- **South Korea**'s president, Kim Young Sam, ordered measures to help South Korea's battered stock market, but details of what he had ordered were not disclosed, and an adviser conceded that there was nothing that could be done immediately.
- **The Philippines'** export growth continued to outpace imports in August, resulting in a narrower trade deficit for the first eight months of the year despite the country's economic problems. The trade deficit narrowed to $7.76 billion months from $8.22 billion a year earlier, according to the National Statistics Office.
- **Germany** has withdrawn its export credit cover to **Vietnam**'s state-owned bank Vietcombank because of delays in debt payments, an official at the Hermes export credit agency said.
- **In Vietnam**, Marx and Lenin are fading from university lecture halls because a lack of educational funding has led to a shortage of teachers qualified to teach Marxist theory, the Communist Party's newspaper reported.
- **Toyota Motor (Thailand) Co.** said new vehicle sales in Thailand tumbled 73 percent from a year earlier in September, to 14,136 units from 52,092.
- **China** will cut tariffs on capital-goods imports from high-technology companies before July 1998, the deputy trade minister, Sun Zhenyu, said.
- **Singapore** asked **Malaysia** to act to ease traffic congestion on the causeway linking the two nations resulting from intensified checks on trucks entering Malaysia, saying the problem was affecting trade, investment and tourism.

AFP, AP, Reuters

India Eases Importing of Gold

Agence France-Presse

BOMBAY — India has cut restrictions on gold imports in a move to reduce smuggling and black market foreign currency trading, analysts said here Friday.

Late Thursday, the Finance Ministry allowed a group of state-run agencies and banks to make unlimited imports of gold for the first time.

Gold previously could enter the country only under special license or if it was to be used in the manufacture of jewelry for export.

The authorities hope the move will stop the illegal smuggling of around 125 tons of gold each year. That is about a quarter of all gold brought into the country.

India, the world's largest consumer of the metal, imports nearly all its gold since domestic production is negligible.

TRADE: *Brazilians Fear Agreement With U.S.*

Continued from Page 15

doso of Brazil, agreed to work toward forming a Free Trade Area of the Americas by 2005, dropping many of the protectionist taxes that raise prices of imports. In meetings in Brasilia this week, Mr. Clinton and Mr. Cardoso agreed to develop a framework for negotiations during the second Americas summit, in Santiago, Chile, next year.

But lawmakers and business leaders here are growing cautious, saying such a deal is possible only if they are convinced that the Brazilian economy can unquestionably benefit. More pointedly, officials here have been stridently opposed to the U.S. push to drop some trade barriers much earlier, perhaps by 2001.

The simple argument is that Brazil is not ready, especially as it is coping with a growing trade deficit and an evolving economy. This is a sensitive period for Brazil, which, thanks to Mr. Cardoso's 1994 "Real Plan," finds itself on a major but fragile upswing after more than a decade of economic stagnation and hyperinflation.

Mr. Cardoso's plan, which pegged the local currency, the real, to the dollar and opened Brazil to foreign investment, has ended hyperinflation and stimulated consumer spending. Durable-goods sales are soaring, mostly as a result of increased buying by the poor.

But Brazilian companies, in many cases, are still not as lean as their American counterparts. It may take several years before they finish modernizing to a point of global competitiveness.

Even companies that are now ready for competition are heavily taxed by the Brazilian state, making it impossible, they say, for them to compete in a free-trade environment.

Although tax reforms are in the works, the concept has languished in congressional debate, and there is little consensus on how quickly those reforms will be implemented.

"Look, I'm ready to go head-to-head with the U.S.," Mr. Batista said. "We're just as competitive as the Americans, on the factory floor. But with the kind of taxes we have to pay — 35 percent on every toy — the U.S. would still have too unfair an advantage against us. No one would ever buy a Brazilian toy."

There are others who argue the Darwin theory of business — if they cannot compete, let them die. Or at least adapt. Julio Francisco Semeghini Neto, president of Prodesp, a Sao Paulo-based computer company, says his company did the latter — adapt.

Once a maker of computer hardware, Prodesp could not compete with American computer manufacturers when tariffs initially dropped in 1991. In response, the company closed a factory with 400 employees and focused on high-technology services, including installing and managing computer systems.

"We've been able to make up for most of the lost positions," said Mr. Neto, whose company employs 1,700 people, "and we are still a strong, competitive company."

Some of the opposition in Brazil is based on trade posturing. If and when serious negotiations start on a Free Trade Area of the Americas, the Brazilians want to be sure the United States does not think they are overly eager to strike an agreement.

But, according to specialists in the field, it also is based on fears that new competition from the United States may disrupt the Brazilian economy and come between regional partners in Mercosur, a regional South American trade group that Brazil dominates. In recent years, it has blossomed into one of the world's largest trading blocs in terms of trade volume.

Motorola Steps Up Its China Plans

Investments to Reach $2.5 Billion by 2000 to Match Sales Rise

Bloomberg News

BEIJING — Motorola Inc. plans to double its investments in China to $2.5 billion over the next three years to match rapidly rising sales, a company executive said Friday.

The market that Motorola calls Greater China, which includes Taiwan as well as Hong Kong, is now Motorola's *biggest market outside* the United States, accounting for about one-eighth of the company's sales, said the executive, Shelagh Lester-Smith, Motorola's director of communications in Asia.

Motorola previously said its China investments would reach about $1.2 billion by 2000.

"Over the next two to three years, we will see investments to increase our manufacturing capacity in China," Ms. Lester-Smith said. She declined to give details of any of the company's investment plans, but she did say that some new projects would be announced over the next few months.

Motorola is the biggest U.S. investor in China. Among all foreign investors here, it ranks second, after Germany's Volkswagen AG.

Motorola's operations in China range from making pagers and mobile phones to satellite communications and *auto parts. Work is still under* way on the company's $750 million semiconductor plant.

Ms. Lester-Smith said the company was not likely to announce any new contracts or projects during the visit to the United States this month by President Jiang Zemin, who will be the first Chinese head of state to visit America in 12 years.

■ Major Sales Forecast

Mr. Jiang's visit to the United States is likely to result in U.S. sales to China worth "billions" of dollars, China's deputy trade minister, Sun Zhenyu, said, according to an Agence France-Presse report.

Purchases will be made in the auto, power, energy, chemical-fertilizer and aviation sectors, he said.

China aims to reduce its $44 billion trade deficit with the United States and bolster U.S. exports, he added.

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PARIBAS
ADMINISTRATIEKANTOOR B.V.

Amsterdam, 16 October, 1997

NOTICE

MERRILL LYNCH EQUITY/ CONVERTIBLE SERIES (the "Fund")

Société d'Investissement à Capital Variable

registered office: 69, route d'Esch, L-1470 Luxembourg

R.C. Luxembourg B-26272

1. PORTFOLIO MERGER

Shareholders of the Merrill Lynch Equity/Convertible Series – Global Equity Portfolio (the "Global Equity Portfolio" are hereby informed that the Board of Directors of the Fund has on 13th October, 1997 resolved to merge the Global Equity Portfolio with effect as of 17th November, 1997 (the "Effective Date") on the reasons of its small size (being less than 15 million dollars for a period of more than 30 consecutive days) into the Merrill Lynch Equity/Convertible Series – Global Value Portfolio (the "Global Value Portfolio"),

Shares of any Class of the Global Equity Portfolio may be, during a period of one month following this notice, redeemed without charge or exchanged without charge into shares of the same Class of another Portfolio of the Fund or of Merrill Lynch Global Currency Bond Series, a Luxembourg umbrella UCITS based on its current Prospectus dated January, 1997 (the "Prospectus").

The Global Value Portfolio's investment objective is broadly analogue to that of the merged Portfolio, and it seeks long term capital appreciation by investing primarily in transferable equity securities of issuers located world-wide that the Investment Adviser (Merrill Lynch Asset Management L.P.) believes represent investment value. The charging structure of both Portfolios is the same. The merger will occur at the Net Asset Value of the respective Shares on the Valuation Date next following the Effective Date and will be binding on the holders of Shares of the Global Equity Portfolio upon such date. Class B Shares of the Global Value Portfolio or of such other Portfolio of the Fund or of the Merrill Lynch Global Currency Bond Series obtained by a shareholder pursuant to the merger or exchange of his former Shares shall benefit of their seniority of issue in the former Global Equity Portfolio as regards the contingent deferred sales charge (if any) upon their subsequent redemption by such holders.

The Prospectus and most recent financial report of the Merrill Lynch Global Currency Bond Series may be obtained free of charge from Merrill Lynch International & Co. (the "Distributor") or from the Fund's Administrator Banque Internationale à Luxembourg S.A., at 69, route d'Esch, L-1470 Luxembourg. Share confirmations relating to the new Shares of the Global Value Portfolio to be allocated pursuant to the merger shall be mailed by the Transfer Agent to those concerned within 30 days of the Effective Date.

2. SETTLEMENT DATE

Furthermore all shareholders of the Fund are hereby informed that, as of the Effective Date anticipated to be 17th November, 1997, the Prospectus dated June, 1997 shall be amended to reflect, in addition to the termination by merger of the Global Equity Portfolio, a change to the settlement date of subscriptions and redemptions. From such date, payment for Shares of all Portfolios of the Fund will be required to be made, on the second (instead of presently fourth) Valuation Date (being a day on which Luxembourg banks are open for business) after the Valuation Date of acceptance of a purchase order. In the same manner, payments for Shares redeemed will ordinarily be made by the Fund on the second Valuation Date after the Valuation Date of acceptance of redemption order by the Transfer Agent in accordance with procedures adopted by various Selected Dealers and approved by the Distributor and the Fund.

The Board of Directors.

NOTICE

MERRILL LYNCH GLOBAL CURRENCY BOND SERIES (the "Fund")

Société d'Investissement à capital variable

registered office: 69, route d'Esch, L-1470 Luxembourg

R.C. Luxembourg B-29.815

SETTLEMENT DATE

Shareholders of the Fund are hereby informed that, as of an effective date 17th November, 1997, the Prospectus dated January, 1997 shall be amended to reflect a change to the settlement date of subscriptions and redemptions. From such date, payment for Shares of all Portfolios of the Fund will be required to be made, on the second (instead of presently fourth) Valuation Date (being a day on which Luxembourg banks are open for business) after the Valuation Date of acceptance of a purchase order. In the same manner, payments for Shares redeemed will ordinarily be made by the Fund on the second Valuation Date after the Valuation Date of acceptance of a redemption order by the Transfer Agent in accordance with procedures adopted by various Selected Dealers and approved by the Distributor and the Fund.

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THE MONEY REPORT

MONDAY: SPORTS

SATURDAY-SUNDAY, OCTOBER 18-19, 1997
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Leading Equity Mutual Funds in the 3d Quarter

Total percent return in U.S. dollars. June 30-Sept. 30, 1997

U.S.		U.S.		Offshore		Britain		France		Germany		Switzerland	
Munder: Micro-cap eq.; Class Y	40.76	GT Global Nat. Resources; B	31.68	GAM Science	37.72	Henderson Global Technology	21.88	UFF Croissance Amérique	22.23	DWS US Technoaktien O	21.40	Italvalor	19.34
Fidelity Select Energy Service	36.88	JWB Aggressive Growth	31.29	Hermitage Fund	31.63	M&G American Recovery	21.22	Sogitalia	15.96	DWS Energiefonds	17.73	UBS Eqinv-Italy	15.73
Delaware Aggr. Groth; Class A	35.87	Transam. Sm. Comp. Inv. Class	30.30	Signet New Cap Mids	30.48	IT Technology International	14.71	DVG Fds-Italia	16.55	DIT Italien	15.76	UBZ US Value Growth	14.15
Dominion: Insight Growth	34.84	R. Stephens: Information Age; A	30.19	Hendrsn HF-Glbl Tech	27.62	State Street Act Etats-Unis	13.02					Anglovalor	11.15
Bjurman: Micro-Cap Growth	34.62	BT Inv: Small Cap	30.11										
Bridgeway: Ultra-Small Co	32.44	Berger New Generation Fund	29.81										
FMI: Focus Fund	32.16	Phoenix Small Cap: Class A	29.81										
Munder: NetNet	31.82												

Source: Lipper Analytical Services, Europerformance (France), HSW (Britain).

A Stock Picker's Quarter: Small-Caps Are Beautiful, Asia Is Not

By Conrad de Aenlle

THE ARGUMENT for investing through mutual funds is persuasive: They provide diversification and management by rational, informed professionals who can protect against losses when stock markets fall. It is convincing enough, anyway, to lure billions of dollars of new money from the public every month.

It is a difficult argument for managers of Asia funds to make with a straight face, however, after their performance in the third quarter, when nearly every stock market and currency in the region — and nearly every fund — lost value.

Fortunately for most investors, few other markets lost ground. Many ended the quarter near all-time peaks, and equity funds domiciled in the United States and the main European centers posted strong returns by historical standards, although not as strong as in the second quarter.

How bad a quarter was it in Asia? Among 155 U.S. mutual funds specializing in Asian equities, only one managed to leave investors with more money at the end of the period than they had going in, according to Lipper Analytical Services Inc., which compiles the data for The Money Report's global fund review.

It was the same for British unit trusts: just one fund out of 121. And of 498 Asia funds domiciled in the main offshore territories, 10 made money.

Among three dozen varieties of U.S.-domiciled equity funds tracked by Lipper, an independent research firm, the three representing Asia were the worst by far. The average pan-regional fund lost 12.2 percent in the quarter; funds targeting Japan lost 11.7 percent, and Asia funds excluding Japan fell 14.8 percent.

Managers of Asia funds sold offshore fared little better. The average offshore fund specializing in the region lost 14.8 percent. (For the sake of international comparisons, all returns are expressed in dollars.)

Several of the successful Asia funds specialize in the Indian subcontinent, where markets performed better than those in Southeast Asia. One of the few funds targeting the broader region to squeeze out a gain was Jardine Fleming Eastern Smaller Companies Trust, which was up 1.9 percent in the quarter.

As the name suggests, the fund avoids large banks, trading companies, telecommunications companies and other utilities — the first stocks to get dumped when selling swept the Southeast Asian stock markets.

"The first thing to get hit are large-cap stocks because they're the most liquid," Edward Morse, who is in charge of offshore marketing for Robert Fleming, one of the two partners in Jardine Fleming, said.

He noted that Hong Kong fell in sympathy with the Southeast Asian markets in part because of the restrictions some countries imposed on share trading. Institutional investors did not want to sell Hong Kong per se; they did so because it was one of the markets where unfettered selling was allowed.

While the Jardine Fleming fund is billed as a stock-picking fund, its relative success was due also to its country allocation. At the end of August, the last date for which information was available, 68 percent was in Hong Kong, with 10 percent in Singapore, 6 percent in Korea, 5.5 percent in Taiwan and 2 percent in Indonesia. Except for the small investment in Indonesia, the fund had no positions in the worst markets — Malaysia, the Philippines and Thailand.

"It was very much in the safety-first markets," Mr. Morse said.

At the end of August, its largest positions were in GPL International Holdings Inc., ASM Pacific Technology Ltd., Tai Fook Ltd., Ka Wah Bank Ltd. and Ryoden Development Ltd.

Beating the Indexes

Small-capitalization issues were the saviors of many managers of American funds too. Based on the most widely cited indexes, which measure the fortunes of large, blue-chip companies, it was a so-so quarter, at least when stacked up against other periods in the last three years. The Dow Jones industrial average rose 3.6 percent, and the Standard & Poor's 500 was up 7 percent, with meager dividend payments making the total return for each about half a percentage point higher.

Those gains were easily surpassed by indexes of long-shunned smaller companies. The Russell 2000 index gained 14.5 percent, for instance, and the American Stock Exchange index rose 12.3 percent.

That provided a big lift to fund managers, whose holdings typically are skewed toward small-caps. For several quarters they had been embarrassed as S&P 500 index funds, in which the goal is to replicate the index's performance by buying a sample of its components without any judgment of their investment merits, handily beat the returns of most actively managed funds.

Not this time. With an average total return of 7.3 percent, index funds were the worst category of domestic general-equity funds, which gained 11.8 percent on average and were up 26.2 percent in the year through September.

Instead of selling an overpriced market, investors seemed to be selling overpriced stocks and buying others that, if not cheap, were certainly cheaper.

Peter Canelo, a strategist at Morgan Stanley, Dean Witter, Discover & Co., said he expected the shift in attention to second-tier stocks to continue, leaving the larger issues that had led the market to languish.

"The market can move to new high ground in the period ahead, but we remain skeptical about the ability of the blue-chip averages to move significantly above their third-quarter highs," he told the investment bank's clients. "The valuation and performance difficulties of the market appear to be concentrated in the 50 largest multinationals. Apart from these faltering giants, the broad mass of stocks appears to be reasonably priced."

When blue chips are weak, the largest funds suffer. Because of their size, they are forced to concentrate on the biggest, most liquid stocks. Taking a position big enough to matter in a small, thinly traded company can materially affect the company's share price, forcing the fund to pay more than is prudent.

Of the 20 largest American equity funds, 11 beat the total return of the S&P 500 — not outstanding, considering how low the bar was set for them to hurdle. Only one, Fidelity Contrafund, beat the performance of the average domestic general-equity fund. Just barely. Had the return been only a couple of tenths of a point below the 11.93 percent it recorded, there would have been a shutout.

The best category of stock funds not targeting a single industry was, no surprise, micro-cap funds, which invest in companies with market capitalizations of less than $300 million. The average one rose 24.3 percent. Next came small-cap funds at 16.6 percent.

One quarter does not make a trend, and it will take several more like the last for small-cap funds to catch up with blue-chip funds. In the year through June, before small-caps made their move, S&P index funds rose 34 percent, while small-cap funds could achieve only 13.9 percent.

Among industry specialists, science and technology funds rose 19.2 percent and energy funds gained 14.9 percent. Of the top 20 funds last quarter, seven invested in small or very small companies, three were technology funds and three specialized in natural resources.

Munder Capital Management, which runs public and private portfolios in Birmingham, Michigan, far from the money, power and greed of Wall Street, had the No. 1 and 8 performers in the period. Munder Micro-Cap had a total return of 40.8 percent; NetNet, an odd fund that invests in Internet-related businesses and is marketed solely on the computer super-network, returned 31.8 percent.

Those flashy numbers conceal a conservative management approach that stresses consistency above all else, said Carl Wilk, one of four managers of Munder Micro-Cap.

"We try to get names with a consistency of earnings growth," he explained. "We have no startups or turnarounds, and we avoid companies that are very cyclical or that get a majority of their business from one company." Such a strategy means that "if we have a good quarter, we typically don't fall apart in the next quarter."

The 109 stocks in the $21 million portfolio are not cheap; they trade on average at 19 times estimated 1998 earnings per share, compared to 16 times for the Wilshire Associates micro-cap index, the benchmark against which the managers judge their performance. But while earnings for the Wilshire components are projected to grow by 12 percent next year, corresponding growth for stocks the Munder fund owns is forecast at 32 percent.

Technology stocks, so strong lately, are not the fund's largest holdings, but they were the most successful ones in the third quarter. Amerilink Corp., a maker of communications equipment, tripled in price during the period, and a pair of electronics companies called Orbit Semiconductor Inc. and Alpha Industries Inc. doubled.

The biggest industry represented in the portfolio was consumer cyclicals, at 18 percent, followed by services and technology, at 15 percent each.

"We don't make big sector or individual bets, and we never have more than 3 percent of the portfolio in any one name," Mr. Wilk said. "There are 4,000 names in the micro-cap universe that nobody follows; there are a lot of stocks to choose from."

With such strength in the small-cap issues that American managers prefer, equity funds continued to overshadow bond funds. The average domestic bond fund rose 3.2 percent in the quarter. That works out to an annualized return of 13.4 percent, which would please most bondholders if it could be achieved year in and year out, but it was barely more than one-fourth the return of domestic equity funds.

Fourteen of the top 20 bond funds specialize in U.S. high-yield issues, which thrive on a strong economy and have posted solid returns for months. The average U.S.-domiciled fund targeting foreign bonds rose 2.5 percent.

U.S.-domiciled equity funds with foreign investment objectives also trailed their domestic counterparts, and by a wide margin. The average world equity fund gained 0.03 percent, as modest strength in Europe and Latin America offset the awful quarter in Asia.

Techs Shine in Europe

Funds domiciled in the four main onshore European centers — Britain, France, Germany and Switzerland — had lackluster returns in a quarter characterized by volatile churning with a slightly upward tilt. In each market the average domestically invested equity fund beat the average of all equity funds but, except in Switzerland, failed to match its country's benchmark stock index.

As in the United States, funds specializing in technology, energy and American small-caps did well. Other objectives prominent among the best performers were the stock markets of Britain, Italy and Scandinavia.

Looking at all stock funds, whether invested domestically or abroad, the average British-domiciled unit trust rose 2.8 percent, compared with 4.7 percent for German funds, 1.7 percent for French funds and 1.6 percent for Swiss funds.

One curiosity in Germany and Switzerland is that each country's

Continued on Page 21

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Getting a Bite at the Telecom Feast

Small Investors May Be Best Off Seeking Out Mundane Niche Plays

JAMES GLASSMAN ON INVESTING

PANDEMONIUM reigns in telecommunications. Offers are flying. Stocks are soaring. So it's only natural for the small investor to wonder, "Can I get in on this?"

The short answer is, "No and yes." But, first, a rundown of the action.

First, British Telecommunications PLC, which controls 90 percent of the market in its home country, decided to buy the 80 percent it didn't already own in MCI Communications Corp., the U.S. long-distance carrier. Then two weeks ago, WorldCom Inc., the Jackson, Mississippi-based upstart that provides Internet services (and much else) around the world, bid $30 billion for MCI, 50 percent more than BT. Then, last week, GTE Corp., which owns local phone companies around the country, bid $28 billion in cash for MCI.

MCI is an attractive prize. As the second-largest U.S. long-distance service, MCI runs a magnificent marketing machine, but it also owns a huge fiber-optic network, the backbone of high-tech phone, data and Internet systems.

BT, WorldCom and GTE all figure that MCI gives them terrific synergy. Maybe. But is there a way that you can scope out the frenetic telecom market and make lots of money?

Douglas Ashton, who analyzes telecom stocks at Jeffries & Co. in Boston, doubts it. "There's too much uncertainty," he says. "There's strategic uncertainty." (In other words, these companies really don't know where they're headed.) "There's too much technological uncertainty." (What's going to be invented next?) "And there's too much uncertainty of demand." (Will people really want 500 channels of cable?)

If Mr. Ashton, who advises clients like mutual fund houses and the Harvard University endowment, views the vast telecom industry — which includes local and long-distance phones, cellular, Internet, radio, cable and broadcast TV, plus equipment and services worldwide (and, to add further fuel to the bonfire, all the European countries will open their phone market to outside competition on Jan. 1, 1998) — as a casino, then how is the typical small investor going to make sense of it?

Consider this strategy: Find a telecom niche and try to pick the best companies within it. An example is Internet telephony - making super-cheap phone calls (especially international) using your computer's Internet hook-up. Such systems already exist, although the quality is low and the connections limited. But Internet telephony promises to be hot business.

The problem is trying to discern the winners from among dozens of players, ranging from IDT Corp., which specializes in international call-back service (a way of ducking high charges when phoning from foreign countries) and has never made a profit, to NetSpeak Corp., a software developer (also profitless), to such giants as Lucent Technologies Inc., once the high-tech arm of AT&T Corp., to AT&T itself, which is especially vulnerable to Internet telephony.

Or, don't try to guess the effects of wild new technologies; simply concentrate on simple service businesses within existing technologies.

Take, for instance, billing. Before the break-up of the Bell System and the telecom explosion, billing was a relatively simple matter for AT&T, which offered both local and long-distance service and could handle everything in-house. Now, it has become horrendously complicated, and smart telecom firms are outsourcing — letting other companies collect the data off switches, send it to a central office, collate charges from different carriers (even from cable companies) and then send out the statements, collect the money and distribute it.

What makes analyzing these companies easier is that some of them actually make money. Billing Information Concepts Inc., based in San Antonio, Texas, should earn about $20 million this year on $125 million in revenues. CSG Systems International Inc., in Englewood, Colorado, boasts similar figures but is growing fast. CSG concentrates on cable TV bills.

International Telecommunication Data Systems Inc. focuses on cellular billing. Saville Systems PLC, an Irish company whose stock trades in the United States, specializes in "convergent billing systems," providing customers of companies like Frontier Corp. in Rochester, New York, with wireless, long-distance and local charges on a single bill. LHS Group Inc., based in Atlanta, does billing work for telecoms in the Americas, Europe and Asia.

The only problem with these billing stocks is you may be a little late. Billing Information is up 50 percent in the past six months; LHS has doubled. But not all of the stocks are soaring. USCS International Inc. plummeted 35 percent on Aug. 11 after losing a contract (to CSG) with its biggest customer.

Another boring niche that appears attractive is building infrastructure for telecom companies — putting up telephone poles, microwave relays and the like. Here, Mr. Ashton points to MasTec Inc., whose earnings are growing at 45 percent a year but whose stock trades at a relatively modest multiple of 24 times earnings.

Still, the best advice of all may be to let the experts do the stock-picking for you. Buy mutual funds that specialize in telecom firms such as Fidelity Select Telecommunications, which has risen 32 percent this year and has returned an annual average of 22 percent since 1992. As of this spring (the most recent report), the highly concentrated holdings of manager Nicholas Thakore were headed by our old friends WorldCom and MCI, plus Tel-Save Holdings Inc., a niche long-distance company.

Washington Post Service

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Tricky Tango in Emerging Markets

Russia and Brazil Lurch Forward, Southeast Asia Steps Back

By Iain Jenkins

INVESTORS WHO IGNORED predictions of an Asian renaissance in the third quarter following the summer's currency turmoil were well rewarded for their skepticism, while those who set their sights on Russia and Latin America did even better. The average general offshore emerging market fund was up 15.66 percent as of Sept. 30, according to figures compiled for The Money Report by Lipper Analytical Services Inc.

The best-performing fund was the Hermitage Russia fund, which rose a staggering 274.53 percent. The best-performing Latin American fund was the Opportunity Asset Management Ltd. Brazil Value fund, up 161.22 percent.

Honors for the worst-performing fund over the period go to the Indosuez AP-Philippines fund, which plunged 62.06 percent because of the currency turmoil in Southeast Asia.

But fund managers said their main source of uncertainty was not Manila or Bangkok or even Mexico City, but Wall Street: With a rise in U.S. interest rates looking more likely, many investors are bracing for a stock-market correction that could ripple into the exchanges of emerging economies.

"We don't think this is the time to make financial investments in emerging markets," said Bob McKee, economist at Independent Global Strategies in London. "We expect global growth to be stronger than anticipated and we think that U.S. interest rates have a lot further to rise."

But Arnab Banerji, chief investment officer at Foreign & Colonial in London, said that while Wall Street might crash, there was an equal probability that it could just stagnate. If it did, he said, there could a 1993-style boom in emerging markets if U.S. capital is re-channeled overseas.

"There is no doubt that Wall Street is expensive but it is likely to remain expensive for a little while longer because Japan keeps pumping money overseas and shows no signs of stopping," he said. "As a result, U.S. institutions may start shifting money to emerging markets."

Michael Howell, who runs Cross-Border Capital, a specialist investment adviser in London, agreed, saying that the disaster scenario will probably be avoided. "Valuations do look rich on Wall Street but we don't think it will collapse. It may come down slightly, which would mean that capital would be recycled out of the U.S. economy to some emerging markets. The question is where the money will go."

Tristan Clube at Martin Curie Investment Management in Edinburgh said that it was still too soon to go back into Asia. He prefers to focus on Latin American and some of the African and Middle East markets.

Matthew Merritt, emerging market strategist at ING Baring Securities in London, agreed. "Thailand looks cheap on 10 times 1998 earnings. However, there is sufficient uncertainty about the growth outlook to suggest that earnings could collapse which would mean that Thailand won't be that cheap after all."

Mr. Banerji, at Foreign & Colonial, said: "Southeast Asia could easily fall a further 20 percent, although there may be a technical bounce in the short term. However, these markets will recover. They won't become another Japan."

For the time being, he feels more comfortable with the markets of Brazil and Mexico and still likes much of Eastern Europe.

His other preferred market is the Indian subcontinent. He still has a high holding of 8 percent of Russia in his funds but has reduced it from 10 percent on the grounds that it is getting difficult to value Russian stocks. However, Russian fund specialists are still optimistic even though the market has risen more than 260 percent in the past two years.

"The situation in Russia is improving daily," said Bill Browder, manager of the top-performing Hermitage Fund. "There is still a lot more to go for, particularly as the economy is expected to grow next year."

For anyone looking for a Latin American fund, Rupert Bruce, editor of Global Fund Analysis in London, points to the Latinvest fund, which, he says, is one of the region's most impressive funds and is largely invested in Brazil. He also recommends global funds with weightings in high-growth regions such as Latin America and Eastern Europe; two examples are Capital International Emerging Markets or Genesis Emerging Markets.

For further information:

- CAPITAL INTERNATIONAL EMERGING MARKETS FUND, Luxembourg: 352 451231.
- GENESIS EMERGING MARKETS FUND, London: 44 171 295-7022.
- LATINVEST FUND (Bahamas), San Francisco: 1 415 380 1118.
- HERMITAGE RUSSIA FUND, Moscow: 7501 2583160.

Leading Emerging-Market Funds in 1997

Total % return in U.S. dollars Jan. 1 - Sept. 30, 1997.

Diversified Emerging-Market	
Kay BCM Value	47.85
Hansberger Global	37.71
Hyp Slov Horizon	34.04
F&C GI Emerg Mkt Inv.	33.81
Fidel TF - Emerg Mkts	27.97
Emerg Mkts Brewery	27.53
Emerging Mkts Trust	27.27
Mercury Sel-Emrg Mkts I	25.73
MorgStan Emg Mkts I	25.73
Baring Chrysalis	24.82
Eastern Europe	
Hermitage Fund	274.53
Russian Prosperity A	196.80
Clariden Inv Russia	167.04
Latin America	
Opp Biz Value	161.22
SRI Pegasus-Brazil Eq.	70.29
Principal Sel Emrg	69.39
Asia	
Nikko GLF Hong Kong	138.96
China Fund	124.58
GP Capital Appreci.	97.79
Africa/Mideast	
Near East Opps.	66.85
Turkish Growth IX	40.08
Merlin Privatization	31.23

Source: Lipper Analytical Services IHT

Small-Cap Mutual Funds Take Star Turn in Quarter

Continued from Page 20

largest fund provider dominated the overall list of top stock funds but was noticeably weak among the funds invested solely in domestic securities.

DWS, the fund-management arm of Deutsche Bank AG, swept the top four spots on the list of best German equity funds, with two technology funds and others investing in Italy and energy. It had six of the top 20 funds overall. Union Bank of Switzerland had nine of the top 21 Swiss funds (there was a tie for 20th place). Of the 20 best domestic funds in each market, however, the two banking juggernauts had only two funds and one fund, respectively.

Executives at DWS dismissed the poor quarter for domestically targeted funds as an anomaly, noting that they had outperformed benchmark indexes over the last year. The success of the internationally oriented funds was attributed by Klaus Kaldemorgen, head of international equity funds at DWS, to a management approach that stresses specialist knowledge of industries rather than countries or regions.

"We have had expertise in technology for 10 years," he said. "That gives us an edge; if you focus on a special sector, you get a chance to stay ahead of competitors." He said the technology fund managers also help select stocks in those industries for general-equity funds.

The top fund, DWS U.S. Technoaktien, specializes in American companies. The other fund is geographically broader but was heavily invested in the United States as well. Other countries represented in the portfolio include Germany, where Mr. Kaldemorgen said the fund has positions in the software maker SAP AG and "some of the new hot issues in the German market," and Japan, where its half-dozen holdings include Canon Inc. and Sony Corp.

Technology was also a prominent objective among the best offshore equity funds, but a heavy concentration on Asia dragged down overall performance, with the average fund losing 1.1 percent in the quarter. In addition to being in the wrong place at the wrong time, they charged too much, curtailing returns.

"Many offshore fund managers have high expenses, and they try to overcome that with quite aggressive portfolios," Michael Lipper, chief executive of Lipper Analytical, said. "Aggressive portfolios in the quarter got hurt relative to the indices."

There was no refuge in plain-vanilla indexing strategies either, thanks to the sell-off in Asia and the phoenix-like resurgence of American small-caps.

"The majority of offshores tend to invest in more brand-name or index-component securities, which had worked reasonably well for them until the third quarter," Mr. Lipper said. "It wasn't tough to avoid losing money globally, but it was tough to make it if you were index-oriented."

Rising above the mediocrity were the six technology funds among the top 20 and four investing in Russia, a market that has more than doubled this year and risen sixfold since the start of 1996.

Foreign & Colonial Emerging Markets, whose Russian Investment Co. rose 26 percent in the quarter, recently told shareholders that it had reduced the Russian holdings in its global portfolios from 9.6 percent to 8.2 percent.

The managers told clients, however, that "Russia remains our favorite market" in Europe and that they had been merely taking profits. Despite overwhelming evidence to the contrary, some fund managers apparently believe that there can be too much of a good thing.

Offshore bond fund managers did better on average in the quarter than their counterparts at stock funds, gaining 1.1 percent.

The Difference a Crash Makes

RIGHT NOW, as you read this, 10-year returns are skyrocketing on almost every U.S. stock fund that has existed that long.

When fund managers went home Friday, their 10-year returns included Oct. 19, 1987, the day the Dow Jones industrial average fell 508.32 points. When they return Monday, the last decade of performance will have begun Oct. 20, 1987, the day the recovery started from much lower prices.

Managers of funds domiciled in Europe and Asia will have to wait until the close of business on Monday to see their 10-year returns perk up because bourses there did not plunge until the following business day.

How big a difference can a day make? From Oct. 16, 1987, through Thursday, the Dow Jones industrial average rose from 2,246.74 to 7,938.88, or 253 percent. If the start date is Oct. 20, 1987, the day after the crash sent the Dow plummeting to 1,738.41, the return is 357 percent.

Any period used to measure performance is arbitrary, but investors should not be surprised to see ads soon boasting of spectacular 10-year results.

C. de A.

Leading Bond Mutual Funds in the 3d Quarter *Total percent return in U.S. dollars. June 30-Sept. 30. 1997*

U.S.		U.S.		Offshore		Britain		France		Germany		Switzerland	
GMO: Emerging Country Debt;	15.29	State Street Research; High Income	8.32	VistaFund-High Yield	14.60	Edinburgh Preferred High Inc	6.11	UFF Haut Rendement	5.74	PVF Spezial Alifonds	3.90	Bond Valor-USD	4.82
Fidelity Real Est High Income Fd	12.17	Lloyds Sayles; High Yield Fixed Inc	8.12	ING Russian Debt	11.41	Edinburgh Convertible	5.31	LD Fleuve Rendement	4.92	Adifonds	3.48	MLBS Fixed Inc A USD	3.58
Amer. Cty: Benham Tgt Mat 2020	11.72	John Hancock High Yield; B	7.82	Emerg Mkts Liq Invest	7.98	CU PPT Monthly Income Plus	4.65	Assurdix-huit	3.40	Thesaurent	3.05	DollarBondSelection	3.30
Lord Abbett Bond-Debenture Fd C	9.55	Fidelity Emerging Mkts Income	7.97	Elvo Emg Mkt Debt A	7.58	Threadneedle Inf Bond & Gilt	4.64	Worldwide Multicurrency	3.17	DWS Intl Rent Typ O	2.39	Lloyds Govt Bd-Medge	22.35
Dreyfus Income: High Yield	8.99	Sunamerica: High Income; B	7.75	Baring GUF-Hi Yld Bd	7.30	Prolific Convertible & Gilt	4.59	MDM Oblig-Inter	3.16	DWS Intl Rent Typ O	2.39	CS Fonds-Bonds	3.08
Alliance High Yield; Class B	8.91	Fidelity Capital & Income	7.66	MorgStan Emg Debt	7.08	Fleming Chinese Fund Ltd	3.41	Union Oblig-Inter	3.11	DWS Additional Bd	2.31	UBS Bd Inv-USD	3.08
Northstar: Total Return II; B	8.39	Fidelity Advisors High Yield; T	7.58	Fidel AWF-GL Hi Incl	7.00	Aberdeen Fixed Interest	4.31	France Long Terme	2.99	Inrodollars Rentenfonds	2.24	Unigest-High Yield	2.67
Loomis Sayles: High Yield; Retail	8.36	T Rowe Price Int: Emerging Bonds	7.49	LM Glb Mkt Prem Incb	6.82	Thornton Preference Inc	4.07	Indosuez Rentenfonds	2.90	Int'l Rentefonds	2.18	BSS Intelfond	2.50

Source: Lipper Analytical Services; Europerformance (France), HSW (Britain).

BRIEFCASE

Scanning Global Markets In Search of Value Stocks

Scott Black likes to visit France, but he isn't investing there these days. Ask the portfolio manager for a tip on Paris and he is likely to steer you toward Vivarois, a restaurant in the well-heeled 16th arrondissement.

Mr. Black said last week that stocks in France and the rest of Continental Europe were overpriced. In fact, he said markets almost everywhere were getting out of hand, with stock prices far higher than the values justified by their issuers' earnings.

Yet Mr. Black, of Delphi Management Inc., said he still found reasonably priced shares in places like the United States, Britain and Israel. Although he said he was uncomfortable with overall market levels on Wall Street, he has 95 percent of his assets under management invested in stocks. He said the fund had returned more than 40 percent so far this year to its 20 or so clients.

For the very long term, he said the growth prospects of China and India would provide enough worldwide earnings to overcome the deflationary effects of the collapsing Southeast Asian markets and the stagnant European and Japanese economies.

One pick is LSI Logic Corp., a maker of application-specific integrated circuits. These semiconductors are not as powerful or complex as the processors in computers, but they have excellent growth prospects in an increasingly wired world. LSI, he said, was "a joke" at its current price near $24 per share and was undervalued by investors who were not taking into account the earnings that will be generated by a factory it is building that will double its revenue. He added that the company has the technology to make chips with paths just 0.25 micron (0.0000098 inch) wide: "They are the only ones who can do it."

Other connectivity plays, he said, are the hardware makers Cisco Systems Inc., Bay Networks Inc. and 3Com Corp., while another chipmaker to look at is Integrated Silicon Solution Inc., "the only pure play on S-RAM." Static random-access memory is faster than the more common dynamic random-access memory chips, which require frequent rewriting of their data.

Outside of the United States, Mr. Black likes Tower Semiconductor Ltd., an Israeli company that in common with many of its competitors trades on the U.S. Nasdaq system. It makes memory chips and has the "only world-class" chip factory in the Middle East, he said.

Another electronics play, he said, was Elbit Systems Ltd., an Israeli company that has a contract with the U.S. Air Force to make helmets that allow aviators to choose targets by looking at them. It also has a system that projects a map on the terrain under an airplane.

About a fifth of Delphi's assets are in media properties, newspapers and broadcasters. Mr. Black said he liked Central Newspapers Inc., Gannett Co., Knight-Ridder Inc., Lee Enterprises Inc., McClatchy Newspapers Inc. and Washington Post Co., the last of which owns half of the International Herald Tribune. *(IHT)*

Shock for Expat Parents: International School Fees

The new school year has started for expatriate families around the globe, and many are sending their offspring off to the local international school. Not surprisingly, fees are rising, according to ECA Windham, a New York company that specializes in cost-of-living information and relocation for multinational companies.

Leading the list is Japan, where the average tuition of $15,636, plus a whopping $8,127 in "other costs," makes it as expensive as a top American university. At the low end is the Philippines, with $6,450 in tuition and $2,600 in extra fees. "Other costs," which cover items such as meals and transportation, can be as steep as tuition fees because they often include an obligatory contribution to the school's building or development fund.

Fortunately, companies tend to pick up the tab as part of their expatriate benefit package, but as more multinationals send employees abroad, the biggest problem in some countries is just getting a place for your child, said Ilene Dolins of ECA Windham. Singapore, a problem city a few years ago, has relieved the pressure by building a new international school. But schools are currently full to capacity in Taiwan, Bombay, and Sao Paulo, where American banks and financial services companies are setting up shop.

"American families prefer the international schools, and so do some nationals of other countries, who like the international mix, rather than a German or French school," said Ms. Dolins. "In some cases, the expatriate's company makes a big contribution to the building or development fund to get a place for a child," she said: *(IHT)*

London Stock Exchange Goes Electronic, At Last

Small investors in the most heavily traded issues on the London Stock Exchange could see their transaction costs drop beginning Monday, when the exchange is due to put its long-awaited electronic trading system into action.

The Stock Exchange Electronic Trading Service will use a computer to match buy and sell orders in shares of the 100 largest British companies. That sounds simple enough, and it is how shares are traded in most Continental European markets, but such an order-driven system has never been used in London. Plans to introduce one met for years with stiff resistance from market makers, the exchange members that agree to provide continually bids and offers on minimum amounts of stock.

Under the present quote-driven system, public buyers and sellers of a particular stock do not trade with each other. Instead, a buyer pays the lowest price at which shares are offered for sale by a market maker, and a seller accepts the market makers' highest bid — even if a member of the public is willing to pay more or sell for less.

Market makers profit from the spreads between bids and offers. The new system will eliminate the middlemen and their cut and, the exchange says, tighten spreads because all participants will be setting them, not just a few.

Market makers will still handle very large orders. Without their capital, a big trade might be hard to fill and might cause an imbalance in the order book.

Chris Broad, head of trading services at the exchange, said it was essential to maintain "the London culture of risking capital."

The change in trading is being billed in the British financial community as Big Bang II, the sequel to the exchange's reform of 1986, when restrictions were relaxed to open trading to greater competition.

Since then, though, much of the fireworks at European stock exchanges has occurred on the Continent, as electronic order-matching has become the norm.

The London exchange was slow to implement such a system because of complaints from market makers that it would cut into their profits. An effort by the previous head of the exchange to impose the system led to his resignation. *(IHT)*

Correction

In the Oct. 11, 1997 edition of The Money Report, the photographer's credit was omitted on pictures accompanying the fund managers' roundtable. The photographer was Arnold Browne of New York.

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WORLD ROUNDUP

American Surprises Hingis

TENNIS The American Lisa Raymond upset Martina Hingis, ranked No. 1 in the world, on Friday night and advanced to the semifinals of the WTA Tour event in Zurich. Raymond won by 4-6, 6-2, 7-5. Hingis had lost only three previous matches this year — to Iva Majoli, Lindsay Davenport and Amanda Coetzer.

After Hingis easily took the first set, Raymond broke for a 4-2 lead in the second set, held for 5-2 by punishing anything Hingis hit short and then broke her again for the set. Afte the American edged ahead by 6-5 in the final set, Hingis, trailing 0-40, saved the first match point with a steady volley but then netted a backhand.

For the American, ranked 19th in the world, it was her fourth victory over a top 10 player in the last two weeks. She will next meet Nathalie Tauziat of France, who took a 4-6, 6-1, 7-5 victory over Sabine Appelmans of Belgium.

In the other semifinal, Jana Novotna of the Czech Republic will face Davenport, who won crushed against the American prodigy Venus Williams, 6-0, 6-4. *(AFP)*

The Newest $100 Million Man

BASKETBALL Shawn Kemp got a contract extension with the Cleveland Cavaliers, and with it became the fifth member of the NBA's $100 million club. Reports said the deal was for seven years and about $107 million. It would reportedly pay the All-Star forward $8.3 million in the first season, with 20 percent raises in each of the next six years. Kemp would not disclose numbers, but admitted: "It's a whole lot of money. We're talking big numbers." *(AP)*

Iranians Within Sight of France '98

SOCCER Alireza Mansourian scored three minutes after the opening kickoff, and Iran rode the support its 100,000 fans to an easy 4-1 victory over China on Friday, moving it well within sight of France and next year's World Cup finals.

The victory gave Iran a 3-2-0 record and 11 points atop Asia's second-round Group A, four points ahead of Kuwait, Saudi Arabia and China (all 2-1-2) with three games remaining. Kuwait beat Saudi Arabia by 2-1 later Friday. Only the two group winners are assured of qualifying, while the runners-up face off for a third spot and the loser of the playoff taking on Oceania winner Australia for a possible fourth berth. *(AP)*

Test Match in Pakistan Rained Out

CRICKET Heavy rain washed out the first day of the second cricket test between Pakistan and South Africa on Friday in Sheikhupura, Pakistan. A downpour had saturated the field and left pools of water on the ground. *(Reuters)*

Forgive and Forget?

BASKETBALL Reggie Miller, the Indiana Pacer star, says he has had to make a big adjustment playing for the team's new coach Larry Bird: "Back in those playoff series 1991 and 1992 when I played against him, I called him a lot of names. So that's been hard." *(LAT)*

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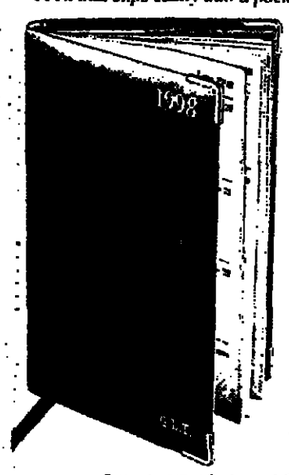

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For Paris, the King 'Basketteur'

Jordan Gets a Stately Reception

By Ian Thomsen
International Herald Tribune

PARIS — "Jordan Awaited Like a King," read the cover of the French sports daily L'Equipe, with a full-page photograph of His Airness rising statuesquely. "Bercy will be packed to the gills this evening to pay homage to Michael Jordan, the greatest *basketteur* in history."

Jordan's Parisian debut Friday night in the McDonald's Championship, in which his Chicago Bulls were to meet the local team PSG Racing, was being anticipated like a concert.

It was preceded by a semifinal between the European champion Olympiakos Piraeus of Greece and the South American champion, Atenas de Cordoba of Argentina. PSG Racing made it to the semifinal with a first-round upset of the Spanish champion FC Barcelona, 97-84, on Thursday.

Six years ago, Magic Johnson and the Los Angeles Lakers came here for the same tournament and hardly caused a sensation. Jordan's arrival is probably better compared with the appearances Charlie Chaplin used to make in Paris to publicize his movies and promote Hollywood in general. Which is not to say that a basketball player who appeals mainly to young people is the equal of Chaplin.

But the comparison fits in with the NBA's promotion of itself as a kind of international entertainment, as opposed to a typical sports competition.

Jordan, now 34, has been its pioneering star. His performances in the Bercy Arena on Friday and Saturday were to be skirted by at least four acrobatic mascots, a team of modern aerobic showgirls dressed vaguely like cheerleaders, enormous video screens showing highlights and the NBA's entertaining commercials, other sideshow acts, T-shirts sling-shotted into the crowd, pop music played thumping from a high-quality sound system and so on.

All this will help camouflage the fact that a game seen in person is much more pedestrian than the typical French teenager might imagine from watching the highlight shows of nonstop fast-breaking dunks and other acrobatics that the NBA so effectively transmits around the world.

In France, especially, Jordan is beheld like an artist. American fans are compelled by his explosive physical talents; the French, if they aren't reminded of ballet, will at the very least discuss him in terms of grace and beauty. Americans know Jordan to be a ruthless competitive monster.

The French might view this in the inspirational context of all the great artists. To this day they speak of their own greatest soccer player, Michel Platini, in much the same way.

Their favorite games, soccer and rugby, are unstructured (as opposed to the American sports that abide by 24-second shot clocks or four downs with 10 yards to go); the French sportswriters and their colleagues across Europe, while technically expert, describe matches as a critic would review a night at the theater.

Agence France-Presse
Michael Jordan: Athlete, artist and money machine.

American game stories stick more to a technical breakdown of what happened and why, with the athletes providing eyewitness testimony and statistics cited as evidence.

L'Equipe has provided Jordan with head-of-state coverage, including a report Friday that he has left his fourth-floor hotel suite just once on unofficial business, departing with his wife for dinner on Wednesday night.

This has probably been the most stately reception the NBA has experienced. That is an achievement for a league whose finals are less popular in the United States than the baseball World Series or the NFL Super Bowl, and yet has expanded to help position basketball as the world's second most-popular sport. The NBA also admits that the end of its fast growth will coincide with Jordan's retirement, perhaps next summer.

"When he retires there is going to be a void that no one player can fill," David Stern, the NBA commissioner, said Friday. He predicted that other players will become stars, "but never quite again in these circumstances."

"Michael Jordan came along at the same time that sports marketing developed," he said, "at the same time that global television was experiencing outstanding growth. The relationship of the McDonald's and the Coca-Colas to sport was not as big as it became. Most of all in TV cable and satellite hadn't begun to develop. There will never be a growth spurt like that again. The growth is going to be smaller."

Whether he has been an athlete or an artist is an incidental argument. Most important, Jordan sells.

U.S. Team Poised To Win 4th Title

Reuters

ST. ANDREWS, Scotland — The defending U.S. team swept Japan aside, 3-0, on Friday for a second round-robin group victory as the team continued its bid for a record fourth triumph in the Alfred Dunhill Cup tournament on the Old Course at St. Andrews.

DUNHILL CUP

But second-seeded Zimbabwe suffered a major blow when Nick Price was forced to pull out because of a muscle injury. The team still beat Spain, 2-1, but under the rules will not be allowed a replacement.

England, the Americans' opponents in the final Group One match Saturday, slumped to a 2-1 defeat by Argentina when Lee Westwood, one ahead of Angel Cabrera at the time, double bogeyed the 17th to go one behind. Despite a birdie 3 on the 18th for Westwood, the Argentine matched him to complete a 1-under-par 71 to win by one shot.

With the wind beginning to blow in late morning, scores were much higher than on opening day when 28 players bettered par. On Friday, only 11 players gained that distinction.

France, 2-1 winners over Australia, the No. 4 seed, in Group Two on the first day, were beaten by the Swedish team for its second straight 3-0 victory.

Australia still struggled, managing only a 2-1 victory over Taiwan.

Dave Caulkin/The Associated Press
Colin Montgomerie peering out of a bunker as Scotland beat Ireland, 2-1, Friday at St. Andrews.

SCOREBOARD

BASEBALL

WORLD SERIES

FLORIDA VS. CLEVELAND
WORLD SERIES SCHEDULE
Oct. 18 in Miami at 8:05 p.m.
Oct. 19 in Miami at 7:25 p.m.
Oct. 21 in Cleveland at 8:20 p.m.
Oct. 22 in Cleveland at 8:20 p.m.
Oct. 23 in Cleveland at 8:20 p.m., if necessary
Oct. 25 in Miami at 8 p.m., if necessary
Oct. 26 in Miami at 7:25 p.m. if necessary
All times EST.

BASKETBALL

NBA PRESEASON

THURSDAY'S RESULTS
Atlanta 103, Toronto 102
Charlotte 97, Golden State 91
New York 88, Philadelphia 83
Cleveland 117, New Jersey 109, OT
San Antonio 96, Washington 76
Milwaukee 109, L.A. Clippers 97
Portland 92, Seattle 90

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Washington	6	1	0	12	27	13
Philadelphia	5	2	1	11	24	17
New Jersey	3	2	0	6	13	12
N.Y. Rangers	1	2	4	6	15	17
N.Y. Islanders	2	2	2	6	16	15
Florida	2	3	1	5	13	18
Tampa Bay	2	3	1	5	13	13

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Boston	4	3	0	8	22	22
Ottawa	3	2	2	8	19	18
Pittsburgh	3	3	2	8	17	19
Montreal	2	1	2	6	12	10
Buffalo	2	3	2	6	18	20
Carolina	1	5	2	4	17	25

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	5	1	1	11	27	14
St. Louis	5	1	0	10	21	12
Dallas	4	2	1	9	24	13
Phoenix	3	2	1	7	17	17
Toronto	2	4	1	5	12	18
Chicago	0	6	0	0	6	24

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	5	0	2	12	24	12
Vancouver	2	2	1	5	13	13
Edmonton	2	4	1	5	14	27
Los Angeles	1	3	3	5	25	26
Anaheim	1	2	2	4	8	11
San Jose	2	5	0	4	17	21
Calgary	0	4	2	2	12	19

THURSDAY'S RESULTS

Florida	0	0	0—0
Dallas	1	0	3—4

First Period: D-Langenbrunner 2, (pp). Second Period: None. Third Period: D-Modano 6 (Lehtinen), 3, D., Harvey 2 (Adams, Nieuwendyk) 4, D-Matvichuk 1 (Lehtinen, Modano) Shots on goal: F- 5-2-5—12. D- 8-12-9—29. Goalies: F-Vanbiesbrouck, Weeks. D-Belfour.

N.Y. Islanders	1	2	2—5
San Jose	0	1	1—2

First Period: New York, Potvin 2 (Reichel, Vasko) Second Period: S.J.-Kozlov 4 (McSorley, Houlder) 3, New York, Potvin 3 (Reichel, Berard) (pp), 4, New York, Smolinski 1 (Green, Potvin) (pp). Third Period: S.J.-Granato 1 (Friesen, Zyuzin) 6, New York, Reichel 2, 7, New York, Potvin 4 (Jonsson) Shots on goal: N.Y.- 12-7-6—25. S.J.- 10-14-10—34. Goalies: N.Y.-Salo 2-2-1. S.J.-Vernon.

CRICKET

PAKISTAN VS. SOUTH AFRICA
SECOND TEST, FIRST DAY
FRIDAY IN SHEIKHUPURA, PAKISTAN
Heavy rain washed out the first day of the second cricket.

SOCCER

FRENCH FIRST DIVISION
Marseille 2, Metz 0
Guingamp 0, Bordeaux 1

WORLD CUP

ASIAN ZONE
GROUP A, SECOND ROUND
Iran 4, China 1
Kuwait 2, Saudi Arabia 1
STANDINGS: Iran 11 points; Kuwait 4; Saudi Arabia 7; China 7; Qatar 1;

RUGBY LEAGUE

WORLD CLUB CHALLENGE
FRIDAY IN AUCKLAND, NEW ZEALAND
FINAL
Brisbane Broncos 36, Hunter Mariners 12

TENNIS

LYON GRAND PRIX
FRIDAY IN LYON, FRANCE
QUARTERFINALS
Fabrice Santoro, France, def. Felix Mantilla (4), Spain, 6-1, 6-1,
Tommy Haas, Germany, def. Thomas Enqvist (5), Sweden, 6-3, 6-3.

EUROPEAN INDOORS
FRIDAY IN ZURICH, SWITZERLAND
QUARTERFINALS
Lisa Raymond, U.S., def. Martina Hingis (1), Switzerland, 4-6, 6-2, 7-5.
Jana Novotna (2), Czech Republic, def. Sandra Kleinova, Czech Republic, 6-2, 7-6 (7-1).
Lindsay Davenport (4), U.S., def. Venus Williams, U.S., 6-0, 6-4.
Nathalie Tauziat, France, def. Sabine Appelmans, Belgium, 4-6, 6-1, 7-5.

CZECH INDOORS
FRIDAY IN OSTRAVA, CZECH REPUBLIC
QUARTERFINALS
Magnus Norman (7), Sweden, def. Sergi Bruguera (2), Spain, 6-4, 6-7 (4/7), 7-5.
Goran Ivanisevic (3) Croatia, def. Bohdan Ullrich, Czech Republic, 7-6 (7-4) 6-2.
Karol Kucera (8), Slovakia, def. Jiri Novak, Czech Republic, 6-4 6-2.
Thomas Muster (4), Austria, def. Diego Nargiso, Italy, 7-6 (7-4), 6-1.

TRANSITIONS

BASEBALL
AMERICAN LEAGUE
ANAHEIM—Announced RHP Shad Williams refused outright assignment to Vancouver, PCL, to become free agent. Assigned RHP Francis Macey and C Brent Hemphill outright to Vancouver.
BOSTON—Assigned OF Curtis Pride, LHP Rafael Orellano and RHP Carlos Valdez to Pawtucket, IL. Recalled OF Pat Bryant from Pawtucket.
MILWAUKEE—Announced RHP Ben McDonald has exercised his contract option for next season.
NEW YORK—Signed INF Gus Ornstein.
OAKLAND—Sent OF Damon Mashore, RHP Dave Telgheder, RHP Carlos Reyes, LHP Andrew Lorraine and LHP Steve Wojciechowski to Edmonton, PCL. Claimed LHP Vaughn Eshelman off waivers from Boston.
SEATTLE—Released LHP Greg Hibbard. Sent LHP Mark Holtzemer to Tacoma, PCL.
NATIONAL LEAGUE
CHICAGO—Claimed 2B Jason Hardtke off waivers from N.Y. Mets.
FLORIDA—Sent RHP Rob Stanifer and RHP Antonio Alfonseca to teams instructional league. Sent LHP Kirt Ojala and INF Russ Morman outright to Charlotte, IL. Announced RHP Bill Hurst was reinstated from emergency disabled list and claimed off waivers by Detroit and that LHP Bryan Ward was claimed off waivers by Chicago.
N.Y. METS—Assigned LHP Ricardo Jordan outright to Norfolk.
PITTSBURGH—Released INF Eddie Williams. Sent LHP Matt Ruebel and RHP John Ericks outright to Calgary, PCL.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION
CLEVELAND—Signed F Shawn Kemp to contract extension. Waived G Jerome Allen, F-C Adrian Caldwell and F Sherrell Ford.
MINNESOTA—Waived G Jimmy King and G Victor Page.
SEATTLE—Waived C Ed Stokes.

FOOTBALL
NATIONAL FOOTBALL LEAGUE
CAROLINA—Re-signed QB Shane Matthews. Waived FB Kentroy Barber.

HOCKEY
NATIONAL HOCKEY LEAGUE
NHL—Suspended Edmonton D Kevin Lowe for 3 games and fined him $1,000 for high-sticking in Oct.13 game against Vancouver.
ANAHEIM—Sent LW Jeremy Stevenson to Cincinnati, AHL.
COLORADO—Assigned G David Aebischer to Chesapeake, ECHL.
CHICAGO—Assigned C Todd White to Indianapolis, IHL.
DALLAS—Assigned LW Patrick Cote to Michigan, IHL.
EDMONTON—Acquired F Jason Bowen from Philadelphia for F Brantt Myhres.
FLORIDA—Recalled G Kevin Weekes from Fort Wayne, IHL.
LOS ANGELES—Assigned D Jan Vopat to Utah, IHL. Recalled LW Dan Bylsma from Long Beach, IHL and LW Steve McKenna from Fredericton, AHL.
MONTREAL—Sent D Francois Groleau to Fredericton, AHL.
NEW JERSEY—Loaned LW Patrik Elias to Albany, AHL.
OTTAWA—Sent F Marian Hossa to Portland, WHL.
SAN JOSE—Assigned RW Todd Ewen to Kentucky, AHL.
VANCOUVER—Re-signed D Bret Hedican. Suspended G Corey Hirsch for refusing to report to Syracuse, AHL.
WASHINGTON—Assigned G Mario Brochu and LW Todd Krygier to Portland, AHL.

COLLEGE
FLORIDA—Suspended OB Doug Johnson for Saturdays game at Auburn for violating team rules.
CAL STATE NORTHRIDGE—Suspended G Trenton Cross, F Mike O'Quinn and F Jeffrey Parris for breaking team rules.

THE WEEK AHEAD

SATURDAY, OCT. 18

BASEBALL, Miami — World Series: Florida vs. Cleveland. Tokyo — start of Japan Series.
BASKETBALL, Paris — exhibition, McDonald's Championship, to Oct. 18.
BOXING, Budapest — World amateur championships, to Oct. 27.
CRICKET, Sheikhupura, Pakistan — Pakistan vs. South Africa, second test, to Oct. 21. Nairobi, Kenya — three-national tournament, first final.
CYCLING, Bergamo, Italy — World Cup, Giro di Lombardia.
FIELD HOCKEY, Adelaide, Australia — men, 19th Champions Trophy, to Oct. 19.
FIGURE SKATING, Vienna, Austria — Olympic qualifying, to Oct. 18.
GAMES, Jakarta, Indonesia — South East Asian Games, to Oct. 19.
GOLF, men: St. Andrews, Scotland — Alfred Dunhill Cup, to Oct. 19; Lake Buena Vista, Florida — Walt Disney World Oldsmobile Classic, to Oct. 19; Sasono, Japan — Golf Digest, to Oct. 19; Lahaina, Hawaii — Maui Kaanapali Classic, seniors, to Oct. 19. Women: Hamano, Japan — Fujitsu Ladies, to Oct. 19.
HORSE RACING, Newmarket, England — Dubai Champion Stakes.
RUGBY LEAGUE, Auckland, New Zealand vs. Australia.
RUGBY UNION, Auch, France — Latin Cup: Argentina vs. Romania; France vs. Italy.
SOCCER, World Cup qualifying, various sites: Uzbekistan vs. South Korea; Kazakstan vs. United Arab Emirates.
SQUASH, Sydney, Australia — Women's World Open, to Oct. 18.
TENNIS, men: Ostrava, Czech Republic — Czech Indoors, to Oct. 19; Lyon, France — men, Grand Prix de Lyon, to Oct 19; Hong Kong — Marlboro championships, to Oct. 19. Women: Zurich, Switzerland — European Indoor, to Oct. 19.

SUNDAY, OCT. 19

No major entries.

MONDAY, OCT. 20

TENNIS, women: Luxembourg — Seat Open, to Oct. 26; Quebec City, Canada — Bell Challenge, to Oct. 26. Men: Stuttgart, Germany — Eurocard Open, to Oct. 26; Mexico City, Mexico — Mexican Open, to Oct. 26.

TUESDAY, OCT. 21

SOCCER, various sites — UEFA Cup, 2nd round, 1st leg: Ajax vs. Udinese; Brage vs. Dinamo Tbilisi; Metz vs. Karlsruhe; Strasbourg vs. Liverpool; Inter Milan vs. Olympique Lyonnais; Rapid Vienna vs. 1860 Munich; MTK FC Budapest vs. Croatia Zagreb; Spartak Moscow vs. Valladolid; Schalke 04 vs. Anderlecht; Aarhus vs. Twente Enschede; Athletic Bilbao vs. Aston Villa; Auxerre vs. OFI Crete; Steaua Bucharest vs. Bastia; Rotor Volgograd vs. Lazio Rome; Atletico Madrid vs. PAOK Salonica; Club Brugge vs. VfL Bochum. South American Super Cup, various sites, 1st Round: Flamengo, Brazil vs. Olimpia, Paraguay; Racing Club, Argentina vs. Vasco da Gama, Brazil; Atletico Nacional, Colombia vs. Penarol, Uruguay.

WEDNESDAY, OCT. 22

ATHLETICS, Belgrade, Yugoslavia — Belgrade 6-kilometer race.
GYMNASTICS, Berlin — World Championships, rhythmic, to Oct. 26.
GOLF, men: Las Vegas — Tour, Las Vegas Invitational, to Oct. 26.
SOCCER, various sites — European Champions League: 3d Round: Parma, Italy, vs. Borussia Dortmund, Germany; Sporta Prague, Czech, vs. Galatasaray, Turkey; Manchester United, England, vs. Feyenoord, Netherlands; Kosice, Slovakia, vs. Juventus, Italy; Dinamo Kiev, Ukraine, vs. FC Barcelona, Spain; PSV Eindhoven, Netherlands, vs. Newcastle, England; Rosenborg, Norway, vs. FC Porto, Portugal; Real Madrid, Spain, vs. Olympiakos, Greece; Besiktas, Spain, vs. IFK Goteborg, Sweden; Bayern Munich, Germany, vs. PSG, France; Monaco, France, vs. Lierse, Belgium; Sporting Lisbon, Portugal, vs. Bayer 04 Leverkusen, Germany. Various sites — CONMEBOL Cup, Semifinals, 1st Leg: America or Atletico Mineiro vs. Universitario, Peru; Lanus, Argentina, vs. Colon de Santa Fe, Argentina. Various sites — South American Super Cup, 1st Round: Santos, Brazil, v. River Plate, Argentina; Gremio, Brazil, vs. Estudiantes, Argentina.

THURSDAY, OCT. 23

GOLF, men: Madrid, Spain — Old-Pro-Am, to Oct. 26; Chiba, Japan — Bridgestone Open, to Oct. 26. Women: Yamabe, Japan — Hisako Higuchi-Kibun Classic, to Oct. 26.
SOCCER, various sites — European Cup Winners' Cup, 2d Round, 1st Leg: Tromso, Norway, vs. Chelsea, England; Germinal Ekeren, Belgium, vs. VfB Stuttgart, Germany; Lokomotiv Moscow, Russia, vs. Kocaelispor, Turkey; Shakhtyor Donetsk, Ukraine, vs. Vicenza, Italy; Real Betis, Spain, vs. Copenhagen, Denmark; AEK Athens, Greece, vs. Sturm Graz, Austria; Nice, France, vs. Slavia Prague, Czech Republic; NK Primorje, Slovenia, vs. Reda JC, Netherlands. South American Super Cup, 1st round: Independiente, Argentina, vs. Colo Colo, Chile; Cruzeiro, Brazil, vs. Boca Juniors, Argentina; Velez Sarsfield, Argentina, vs. Sao Paulo, Brazil.

FRIDAY, OCT. 24

CRICKET, Faisalabad, Pakistan — Pakistan vs. South Africa, third test, to Oct. 28.
GOLF, men: El Dorado Hills, California — Raley's Gold Rush (seniors), to Oct. 26.
SKIING, Tignes, France — men, women, Alpine World Cup, giant slalom, parallel slalom, to Oct. 26.
SOCCER World Cup qualifiers, various sites — Kuwait vs. Qatar; Saudi Arabia vs. Iran.

SATURDAY, OCT. 25

BOXING, Mexico City — Julio Cesar Chavez, Mexico, vs. Miguel Angel Gonzalez, Mexico, 12-round bout, for the vacant WBC super lightweight title; Ricardo Lopez, Mexico, vs. Rosendo Alvarez, Nicaragua, 12-round bout for Lopez's WBC-WBO and Alvarez WBA strawweight titles; Keith Holmes, United States, vs. Paul Vaden, United States, 12-round bout for Holmes' WBC middleweight title.
SOCCER Tashkent — World Cup qualifier: Uzbekistan vs. Kazakstan.

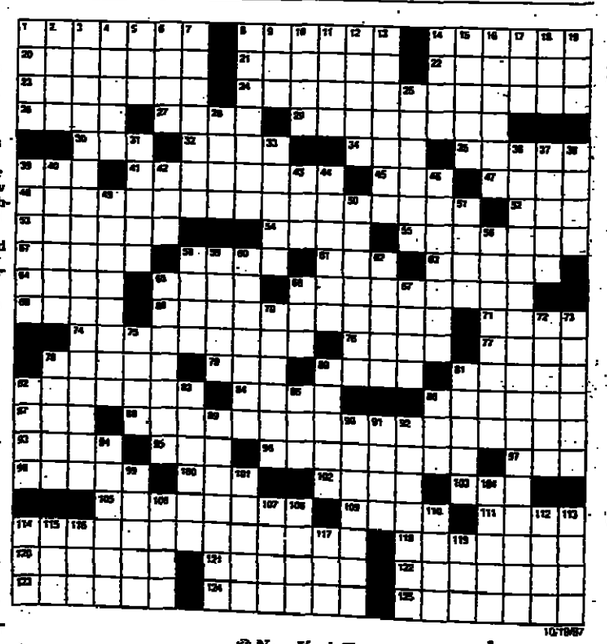
SUNDAY, OCT. 26

AUTO RACING, Jerez de la Frontera, Spain — Formula One, European Grand Prix.
SOCCER, Tokyo — World Cup qualifier: Japan vs. United Arab Emirates. Washington, D.C. — Major League Soccer Cup '97, Washington Dc United vs. Colorado Rapids.

STRING QUINTET By David J. Kahn

ACROSS
1 Red-faced
8 Metal found in meteors
14 Defiled
20 1963 Hepburn-Grant film
21 Social instability due to a breakdown in values
22 Mandarin, e.g.
23 Like some Greek odes
24 Standup comedian who wrote "Letters From an Adult Child"
26 Byrnes and Hall
27 Fixation
29 Long, in a way
30 Badminton call
32 "ER" doc
34 John Hancock: Abbr.
35 "—— Mio"
39 Before, once
41 Jeans, as long-lost friends
45 Shoe with a puckered seam
47 Construction piece
48 Summarizes concisely
52 "——y Plata" (Montana's motto)
53 Choose by divine election
54 Is suitable (for)
55 Plastics workers
57 Needle
58 Slow
61 Football positions: Abbr.
63 Stairmaster part
64 Give out
65 "Oh, ——!"
66 Fly-by-night
68 —— vu
69 U.S. foreign aid, mostly
71 70's TV detective
74 Lump together
76 Heads up
77 Some retreats
78 Not miss ——
79 Superlative
80 Appreciates
81 Stares absent-mindedly
82 One of the Robbsey twins of fiction
84 Object of decoration
86 Redline
87 Org. for advocates
88 "Sleeping Gypsy," "The Snake Charmer," etc.
93 "At Random" autobiographer
95 Port with a natural harbor
96 Crabwise
97 50's political inits.
98 Land
100 School of whales
102 Sci. course
103 Aries water
105 Mine railway
109 Quartet for first graders
111 "... or —— me?"
114 Tree surgeon, maybe
118 Odds and ends
120 Hardened
121 Theater area
122 Unusual house shape
123 Ticks off
124 Clerk
125 Kind of sandwich

DOWN
1 Ne plus ultra
2 Like plowhorses
3 Try to get mystical messages
4 Was mentioned
5 Magazine since 1952
6 Bowdlerize, with "out"
7 Philtesse
8 Reports by phone
9 "Double Fantasy" artist
10 Spell
11 Flandre friend
12 Bank rights
13 Late afternoon, usually
14 Kind of list
15 "There —— losers . . ."
16 Most collectible
17 Hospital V.I.P.'s
18 Something that can get in the way
19 Place for a VCR
25 Useless
28 She was Jennifer on "WKRP"
31 Fictional detective Philip
33 Room in the game Clue
36 Popular feature in poetry
37 Emulated a siren
38 College founded by a king
39 Pleased as punch
40 Switch tags
42 Incomparable ending
43 Montgomery's field: Abbr.
44 Code word for "S"
46 Seaplane inventor Glenn
49 Grape yields
50 Early influence on Baryshnikov
51 Car weighs without fuel or load
56 Traveled unaccompanied
58 Asphalt
59 "Animal House" frat man
60 Urdu is spoken here
62 Muzzle
65 Old French headdress
66 Peg with a concave top
67 Stars
70 Directs
72 Three-time A.L. M.V.P.
73 Review, as damage
75 Cut
78 Harry's Veep
80 Edam relative
81 River at Liege
82 Veneer
83 Poser
85 Former French toastee?
86 "Midnight Lace" actress, 1960
89 Lions
90 Bill collector?
91 Med lab specimen
92 Admit a mistake, so to speak
94 Old Ford model
99 Intro
101 Darung
104 Set sights on
106 Roosts
107 "Be ——!"
108 Big name in computers
110 Chief, in Italian
112 Sikorsky or Stravinsky
113 Where Dollywood is: Abbr.
114 Familial moniker
115 Tolkien creature
116 "—— hora es?"
117 Part of an itin.
119 A lot of Colo.



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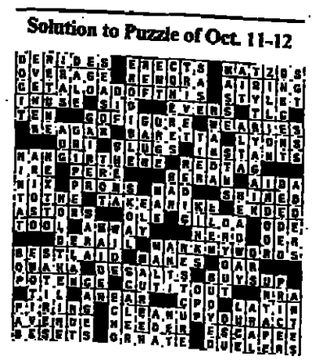
Solution to Puzzle of Oct. 11-12



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هكذا من الاصل

SPORTS

A Cowboy Revival; An Upset for Oakland

By Thomas George
New York Times Service

Jacksonville (5-1) vs. Dallas (3-3) Boy, the Cowboys sure are pitiful, huh? Don't buy it. Expect a breakout. It won't be easy against a fresh, young and exciting team looking to add to its success with a victory against a powerhouse franchise. For many, this is a battle of youth (Jacksonville) vs. age (Dallas). Like most games, it will boil down to line play. Jacksonville's offensive line is huge, the largest in the league, and reminds many of what the Cowboys' line used to be. Dallas should win this game because of turnovers (its seven committed are the fewest in the NFC) and because of pass defense (its 139.2 yards allowed per game is best in the league). Backed into a corner with two consecutive road divisional losses, the Cowboys can lick their wounds at home. And excite their fans once again. *Prediction: Cowboys 23-17.*

Arizona (1-5) at Philadelphia (2-4) These are two birds that flock together. But it has been brutal for the Cardinals. They have seen five of their six games decided in the final minute or in overtime. They have outgained their last three opponents in yardage by 984 to 936. They have little, however, to show for it. Rodney Peete returns at quarterback for Philadelphia. *Eagles 17-3.*

Carolina (2-4) at New Orleans (2-6) Well, the Saints can't do a lot of things, but they can rush the passer. They are on pace to gain 66 sacks, which would surpass the team record of 57 set in 1992. Thus far, that is about all the Saints have done well. *Panthers 23-10.*

New England (5-1) at Jets (4-3) It is the 75th meeting between these teams, and the Jets lead, 39-34-1. New England won the teams' first meeting this season at home — in overtime — but were surprised by the Jets' pass rush, big-play secondary and big passing plays. This time the Patriots should be more prepared. *Patriots 19-14.*

San Francisco (5-1) at Atlanta (1-5) The 49ers have won six of the last seven in this series and have won 11 of their last 13 divisional games. They are over the loss of Jerry Rice. They are rolling toward the season's second half and the playoffs. The Falcons showed life last week in beating New Orleans, and they have won 13 of their last 14 games when they have held their opponent to 15 or fewer points. Atlanta isn't likely to do that, though, against the 49ers. *49ers 28-10.*

Seattle (3-3) at St. Louis (2-4) Seattle should win this game because it averages 5.2 yards per carry, best in the league. It is the only NFL team with three backs who have gained at least 200 rushing yards (Lamar Smith, Chris Warren and Steve Broussard). That is enough to run over the Rams. *Seahawks 16-10.*

Washington (4-2) at Tennessee (2-4) Steve McNair rushed for 65 yards, threw for three touchdowns and 199 yards in Tennessee's 30-7 victory over the Bengals last week. It was McNair's best pro game, and it was the first time that he ran wild with the football, adding the scrambling dimension to his pro game. He will need that again against a solid Redskins defense. Redskins receiver Michael Westbrook is injured, but Leslie Shepherd will be there. He is a game-breaker. *Redskins 17-10.*

Denver (6-0) at Oakland (2-4) Mike Shanahan, who was fired by the Raiders after less than a season and a half at their helm in the early '90s, has moved on to good things at Denver. The Raiders are history for Shanahan — until he sees them right in front of him. Then, bet the house, he wants to whip them more than any other opponent. And he has: He is 4-0 vs. the Raiders. Certainly, Shanahan has the weapons to do the job, and Denver can reach 7-0 for its best start ever. But trouble lurks. Both teams are coming off bye weeks, and expect the Raiders to have solved some of their woes on defense. On offense, there are few hindrances. The Raiders can run it (Napolean Kaufman), and they can pass it (Jeff George). Watch Raiders tight end Rickey Dudley, who leads all NFL receivers with a 20.3 average yards per catch. Dudley will be difference in one of the weekend's biggest upsets. *Raiders 26-24.*

Miami (4-2) at Baltimore (3-3) Did you know that Ravens quarterback Vinny Testaverde has thrown 46 touchdown passes since 1996, second-most in the league after Brett Favre's 54? Did you know that Testaverde has thrown three touchdown passes in 10 of his last 18 games? Miami's Dan Marino gets the hype, but Testaverde wants to show in this matchup that in this season, at least, he ranks right up there with Marino. And the best way to do that is to beat Marino and the Dolphins. *Ravens 28-24.*

Giants (4-3) at Detroit (4-3) Barry Sanders looks for more rushing gold against a defense capable of shutting him down. But if the defenders put all their effort on Sanders, receivers Herman Moore and Johnny Morton are capable of busting the game open. This is what the Giants' defense must watch — balance in the Detroit defensive attack. The Silverdome is an awfully noisy place to play. It and the Lions will cause the Giants too many problems. *Lions 27-14.*

Pittsburgh (4-2) at Cincinnati (1-5) The Bengals are on the plus side of turnovers but are languishing with an awful record. The seams have fallen apart. Big plays have disappeared, especially in the passing game. Confidence is eroding. This is a talented team, one that finished with a 7-2 push late last season. Now they entertain the Steelers and certainly own the ability to upset them. It could mean the season for the Bengals.

That notion and Jeff Blake-to-Carl Pickens could push them over the top. *Bengals 20-19.*

Buffalo (3-3) at Indianapolis (0-6) It has been a difficult season for the tough-luck Colts. But this Monday-night affair is just what they need. With the nation watching, they will not be embarrassed. Jim Harbaugh has never been intercepted by the Bills in 142 career passing attempts. His error-free play and a spirited, emotional game by the Colts should make the difference. *Colts 13-10.*

Bye week: Chicago, Green Bay, Minnesota, Tampa Bay.

NFL Matchups

Cleveland as Cinderella

'Team of Destiny' Goes for the Prize

By Jack Curry
New York Times Service

The Cleveland Indians were sputtering after losing to Pat Hentgen and Roger Clemens in Toronto in early August. Their confidence was dissipating because they wondered if they were worthy of the postseason, and their lead over the ravaged Chicago White Sox was crumbling to three and a half games. It was definitely time to discuss the deteriorating season.

So the Indians held a team meeting, and the veterans talked about staying relaxed and not feeling obligated to chase the ghosts of the 1996 Indians. These Indians reminded themselves that they did not need to have the best record in the American League, as their predecessors had, to win the Central Division.

"The gist of the meeting was we that didn't have to win 100 games," the always calm and cool Matt Williams said. "All we had to do was be in first place at the end of the season. In the playoffs, anything can happen. Any team can beat any other team on any given day."

Two months later, Williams recalled the meeting as he stood in a drenched clubhouse at Camden Yards in Baltimore with pieces of champagne bottles near his cleats and some of the alcohol still dripping down the back of his neck.

The words that had been spoken in a depressed clubhouse at Toronto's Skydome proved prophetic as Tony Fernandez smashed a homer off Armando Benitez in the 11th inning to push the Indians to a 1-0 decision over the Orioles in Game 6 to clinch the American League championship Tuesday night.

"We might not be the best team in baseball," Sandy Alomar Jr. said, "but we're a team of destiny."

Did the Indians really believe what they uttered during that meeting in August when they were a tepid 57-52? Apparently so.

"Well, it's the truth," Williams said. "It doesn't matter how many wins you get in the regular season as long as you finish in first place."

Even after winning their division, the Indians were not favored to beat the New York Yankees in the division series, but they did; and they were not favored to beat the Orioles, but they did. Both series were filled with bizarre bounces, peculiar plays and enthralling endings and spotlighted Cleveland's brilliant bullpen. The Indians gleefully played the role of Cinderella and hope to keep doing so when they journey to Miami to meet the Florida Marlins in Game 1 of the World Series on Saturday night.

Start where the series ended, with Fernandez, who was not even supposed to start until he drilled second baseman Bip Roberts with a line drive in batting practice, and who then ripped his first homer in 133 postseason at-bats.

The Indians' four victories against the Orioles all came by one run.

For the Indians to win their first World Series since 1948, their bullpen might have be as dominant as it was while going 4-0 with a 2.25 earned run average and two saves against the Orioles. Williams said the relievers proved to be more valuable than Baltimore's or New York's bullpens, which did not surprise the man who had assembled the pitching crew.

John Hart, Cleveland's general manager, said: "I always felt that the bullpen would come through. We built this bullpen with the idea that we were going to be very good."

World Series

World Series On TV

The World Series can be seen on NBC Superchannel affiliates in Europe, ESPN International in Latin America, the Middle East, Africa and Asia, and the Armed Forces Radio and Television Network at American military installations around the world. The following stations will also be broadcasting the games. Consult local listings for actual times and station numbers.

Belgium: Supersport Netherlands; Costa Rica: Channel 7; El Salvador: Canal Quatro TV; Guatemala: Channel 7; Honduras: Channel 5; Ireland: Sky Sports U.K. and Channel 5; Italy: Telepiu; Japan: FUJI TV, Tokyo Broadcasting System, NHK; Luxembourg: Supersport Netherlands; Mexico: Televisa; Netherlands: Supersport Netherlands; Nicaragua: Channel 2; Norway: Supersport Scandinavia; Panama: Channel 2; Philippines: Channel 4; Puerto Rico: Telemax; South Africa: South Africa Broadcasting Corp.; Spain: Canal Plus; Sweden: Supersport Scandinavia; Taiwan: TVBS; United Kingdom: Channel 5, Sky Sports; Venezuela: TELEVEN, Channel 8.

Yuko Blake/Reuters

Stadium employees putting the World Series logo on the field in Miami.

Bonilla Doubtful Starter

By Buster Olney
New York Times Service

MIAMI — That Bobby Bonilla is using words like "hope" and "wish" about his chances of playing the first game of the World Series against Cleveland on Saturday does not bode well for Florida. But then, the Marlins are becoming experts at hurdling obstacles like the hamstring pull that is troubling their cleanup hitter.

The Marlins beat Atlanta in the National League Championship Series even though they lost their No. 2 starter, Alex Fernandez, to a significant shoulder injury and their ace, Kevin Brown, to the flu for nearly a week.

Those ailments have scrambled the Florida pitching rotation, with rookies scheduled to start Games 1, 4 and 5 in the four-of-seven World Series. "But we're here," said Jim Leyland, Florida's manager. "We'll work it out."

"I really don't know if I'll play," said Bonilla, 34, referring to the first game. Batting behind the No. 3 hitter, Gary Sheffield, Bonilla has to make opposing pitchers pay for constantly pitching around Sheffield, who drew 121 walks during the regular season and 12 walks in the first nine games of the postseason.

Leyland doesn't like discussing contingency plans, but he has a couple of options if Bonilla can't play.

Alex Arias could start in Bonilla's place. Arias is a better defensive player but drove in only 11 runs in 93 at-bats during the regular season.

Leyland did announce his pitching rotation: Livan Hernandez, the 22-year-old pitcher who shut down the Atlanta Braves last Sunday, will start Game 1 against Cleveland, as well as Game 5, if necessary. Brown starts Games 2 and 6, the veteran left-hander Al Leiter is scheduled in Games 3 and 7 and Tony Saunders, another rookie, will start Game 4.

Kansas City Roars Chiefs To a Rout of the Chargers

The Associated Press

KANSAS CITY, Missouri — It was not a football game. It was a rock concert with helmets and shoulder pads.

The San Diego Chargers, deafened by the roar of nearly 79,000 Kansas City fans, committed a team-record 19 penalties Thursday night, including eight false starts and one delay of game, and virtually handed the Chiefs and their full-throated followers a 31-3 victory.

"They were deaf," the Kansas City linebacker Anthony Davis said. "They couldn't hear their quarterback, so they were looking at us. When we moved, they would move, and they'd be offsides."

"It was pandemonium," said the Chiefs' coach, Marty Schottenheimer. "You couldn't hear a thing out there."

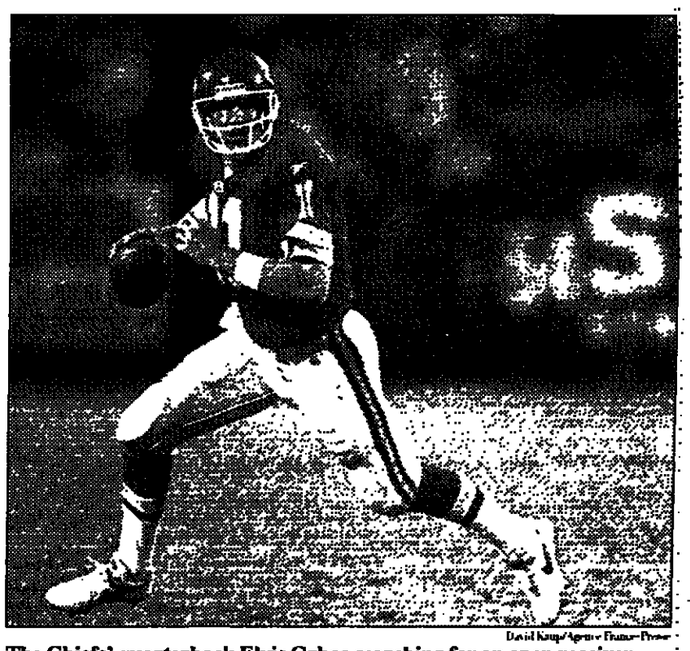
The confused, distressed Chargers (3-4) were three penalties short of the 53-year-old NFL record for a game — shared by the Chicago Bears and the old Brooklyn team. The Chargers' previous record for penalties was 15 against Indianapolis last year. They came within three yards of matching the team record of 149 penalty yards, set while playing the New York Jets in 1963.

"It caused a lot of our penalties," the Chargers quarterback Jim Everett, who had to replace the injured Stan Humphries, said of the crowd. "We never adjusted to it."

Andre Rison caught two touchdown passes of 10 and five yards from Elvis Grbac in a 17-point second quarter, as the Chiefs (5-2) romped to a 24-0 halftime lead. Grbac, who hurt the Chargers all game with his scrambling, got the first touchdown in the first quarter on a one-yard run.

The Chiefs beat San Diego for the 10th time in the Chargers' last 13 trips to Kansas City.

San Diego lost the battle on both sides of the line all night and lost Humphries late in the first quarter when two tacklers hit him almost simultaneously and put him out with a mild concussion.



David Kaup/Agence France-Presse

The Chiefs' quarterback Elvis Grbac searching for an open receiver.

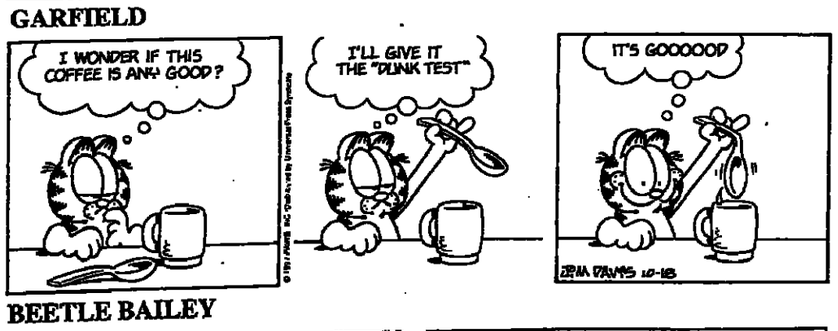
DENNIS THE MENACE

"...AND SINCE WE'RE JUST HAVING LEFTOVERS TONIGHT, IT'S ALREADY BEEN BLESSED."

PEANUTS

CALVIN AND HOBBES

GARFIELD



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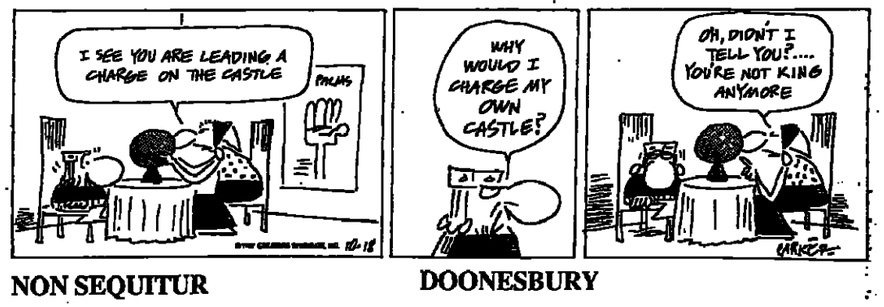

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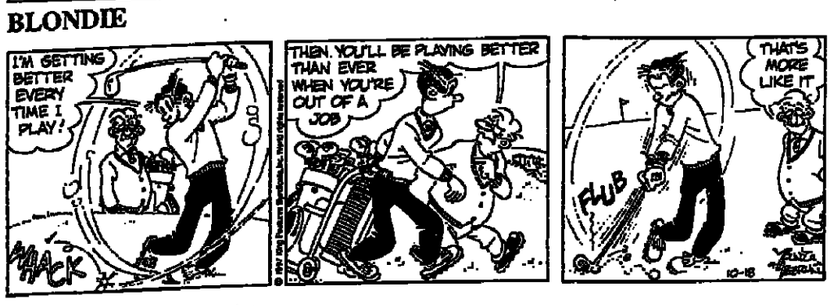

JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

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Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

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DAVE BARRY

'Shocked and Saddened'

MIAMI — ANCHORPERSON: If you're just joining our broadcast, you can tell from my somber expression and the sad music that there has been another shocking celebrity tragedy. We'll be covering it in our standard Celebrity Tragedy Format, during which we look sad and constantly remind you how tragic this situation is and repeat the only three actual pieces of news we have over and over far into the night.

Also you will be seeing a great deal of the special logo that our graphics people have created for this tragedy, which will appear on the screen as a tasteful buffer between our somber coverage and, for example, the Depends commercials. But right now, let's go to our field reporter to see how shocked and saddened the public is.

You can tell from the sad music that there has been a celebrity tragedy.

FIELD REPORTER: As you can see, members of the public have spontaneously gathered on the street directly in front of our camera to express their grief. (The people wave at the camera. Several make "rabbit ears" behind each other's heads.)

FIELD REPORTER: Here's a husband and wife who came a long way to be here. How do you feel? Shocked and saddened?

HUSBAND: Definitely.

WIFE: We came as soon as we saw the tragic logo on TV. We dropped everything and drove all night with nothing to eat except loose candy corn that we found under the seat.

HUSBAND: We drove 700 miles. We only live 450 miles away, but when we got here we circled the parking structure for several hours because we couldn't figure out how to get inside because we were so upset about this tragedy.

WIFE: We just knew we had to be here. When this celebrity died, it was like we lost our best friend.

HUSBAND: Actually, our best friend did die yesterday, but we skipped his funeral so we could drive here and show our feelings about this celebrity.

FIELD REPORTER (turning to the camera): So there you have it. A shocked and saddened public, grieving openly about this tragic loss in their lives. We are now going to move our camera to the bottom of an abandoned, water-filled mine shaft, to see if we can get a spontaneously grieving crowd to gather there. I am betting the cameraperson $50 that we can. Back to you in the studio.

ANCHORPERSON: We'll resume our coverage of this tragedy in a moment, but first we'll pause for these headlines.

NEWSREADER: In the noncelebrity news, the stock market has crashed; war has broken out in the Middle East; a volcano has erupted in Seattle; militants in the rebellious Russian province of Brzkszkrzkzistan, angry over the chronic shortage of vowels, have launched nuclear missiles at the United States, and Vice President Al Gore has admitted that he robbed four convenience stores, but he contends that this was "well within the current campaign-finance laws." On a brighter note, this network has already been awarded two prestigious Emmy awards for its coverage of this ongoing celebrity tragedy, one for best tragedy logo, and one for most uses of the phrase "shocked and saddened."

ANCHORPERSON: That is certainly a ray of sunshine in an otherwise gloomy time. And now we resume our ongoing coverage of this tragedy, with the help of Barbara Walters, who never talks to anybody below the celebrity rank of Julio Iglesias. She's going to try to help us gain a better understanding of what, exactly, it feels like to be famous at a time like this.

BARBARA WALTERS: With me to discuss this is an extremely well-known celebrity. (She turns toward the celebrity and displays a thoughtful frown of concern.)

BARBARA WALTERS: Is it hard to be a celebrity? I am sensitive to this issue because of course I personally am very famous. I am more famous than many of the people I interview, including, no offense, you. My producer has to hold up a sign to remind me which specific celebrity you are. And I personally have found that existing at this level of fame is very difficult, which is why I often display this little frown of concern. Have you found this to be a problem?

CELEBRITY: Being famous?

BARBARA WALTERS: No, my little frown of concern. I'm thinking of having it fixed.

CELEBRITY: What's a "fwown?"

BARBARA WALTERS: Thank you. We'll be back in a little while to talk more about my feelings about this terrible tragedy with the U.S. Supreme Court and Whoopi Goldberg.

ANCHORPERSON: We go now to the bottom of an abandoned, water-filled mine shaft, where we understand that grief-stricken members of the public have spontaneously gathered in response to this tragedy. (In the murky water, we see the field reporter, wearing full scuba gear and holding a $50 bill. Behind him is a crowd of people holding their breath and waving. Some are making "rabbit ears.")

FIELD REPORTER: Glub glub glub.

ANCHORPERSON: I believe he's saying "shocked and saddened."

FIELD REPORTER: GLUB! GLUB GLUB GLUB!

ANCHORPERSON: My mistake. He's saying "out of air."

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Looking for a Plumber With a 1743 Tokay

International Herald Tribune

PARIS — The area around the Eiffel Tower is more modern since only those willing to face the certainty that the tower would one day topple into their dessert plates were brave enough to move there, but in general the seventh arrondissement of Paris is the sanctuary of old money, with its noble 18th-century buildings, private gardens, discreet swells and costly *antiquaires*.

Near the Eiffel Tower end there is the Village Suisse for antiques and, more recently on the very

MARY BLUME

short Rue Malar, a new kind of antique store called l'Antiquaire du Vin, which trades in old wines, "from 1780 to today," says a sign in its window. Its owner, Roland Marzari, is not the only one to trade in antique bottles, but he is surely the happiest. Until last December when he opened his shop he was an engineer.

"This is my passion, it's what made me change my life," he said. "If two people have the same passion for wine it is like an electric current that passes between them. A company director and a street sweeper become equal through a love of wine."

In all honesty, Marzari hasn't had any truck with street sweepers so far but he did meet a plumber who collects old bottles of Napoleon brandy and would be happy even to have an empty. In return, he will give Marzari a full bottle of 1743 Tokay.

Ronald Searle

By chance, Marzari acquired from a wine merchant a fine 1811 cognac which didn't cost too much as the merchant's assistant had brought it from the cellar by mistake and compounded his error by opening it and breaking the cork. Marzari has the bottle, down to about half level by now, and when it is empty he will track down the plumber.

When Marzari pours out a finger or two to taste, the visitor understands that, even though it is 11 A.M., this is not only a treat but a means of helping to effect the acquisition of the ancient Tokay. The only trouble is that the plumber left no address. "How will I find him?" Marzari asked, looking briefly more cloudy than limpid.

A large, beaming man with a short dark beard and eyeglasses half way down his nose, Marzari dresses with an antique dealer's tasteful discretion — tweed jacket and gray trousers — except for a hand-painted necktie featuring lurid bunches of grapes. He is 54, or 1943 vintage as he prefers to say.

Austrian-born, with a taste for his native country's sweet white wines, he is an Italian national although he has never lived in Italy, and spent 30 years working on turbines in Switzerland, where he lived next to the vineyards of Lake Geneva and picked grapes each summer. A grape picker's heavy basket, an Oriental rug and modern spotlights form the decor of his shop, along with bottles both familiar and rare.

While traditional antique dealers hope to get into people's attics, Marzari aims for their cellars. "That's my main interest, to see the inventory and buy up the lot. Yes, it's risky but you can tell a lot about the state of a wine from the bottle's seal, its limpidity, its level." And if he has misjudged? "Some people just like to taste an old wine to see what it's like, luckily."

In his short career he has found six cellars, three of which he says are really very good. The frequent problem is the cellars are part of inheritances and heirs, of course, never agree. On the other hand, in the bar across the street from his shop he heard of an elderly Mexican who wants to sell a cellar full of '45s and '47s. "I thought it sounded good and from further chat it sounded even better. It is obviously a collection, not just a lot of bottles bought blindly. I'm waiting to get the complete list and if it's as good as it sounds I am off to Mexico. One superb Romanee-Conti would pay for the trip."

The day before someone had telephoned to offer him a not-superb bottle of 1992 Romanee-Conti at 4,000 francs. "A really good one would be double." Big-name wines have become status symbols, and fashion has its role. The most modish wine at the moment, he says, is a Saint Emilion, Chateau Valandraud, which has only been made since 1990 and whose owner has the ambition of equaling the costly Chatean Petrus. A bottle of the '93 Valandraud, according to Marzari's well-thumbed sales guide, sold for 5,115 francs.

A shopkeeper cannot live on grand crus alone and Marzari is also happy to choose an ordinary wine to go with a housewife's *roti de veau* (who knows, she may have a recently deceased cousin with an Ali Baba cave of wines) and while he is sniffy about Beaujolais nouveau ("though as a marketing exercise I applaud it") he does stock oddities such as the wine of Montmartre which, with its label honoring the late pop singer Dalida, sells for a euphoric 300 francs. His oldest bottle at the moment is an 1869 Grand Larose, found in the hold of the Marie-Therese, a cargo ship that sank off Indonesia in 1872.

Obviously, given the conservative neighborhood he is in, the biggest demand is for Bordeaux. There is no point in stocking New World wines or even Italian, though he does have the Spanish Vega-Sicilia Unico, "the Mouton-Rothschild of Spain and just as costly." In the interests of education and general jolliness he has tried holding blind tastings for clients but they often end with the tasters feeling foolish or gulled and this is not his aim.

He wants them to feel comfortable, the checkbook always being more easily reached when the muscles are relaxed. People should not, for example, be intimidated by such winespeak as "flowery" or "meaty" or, to quote a recent description, "a nose of cassis, myrtle, violet, cedar and leather."

"You can say what you like because everyone's nose is different. One person may say chocolate, another banana but both are right. The important thing is that they find the chocolate or banana again." Offering a glass of his beloved sweet Austrian Trockenbeerenauslese, considerately called TBA for short, he suggests, "You can say anything you want and almost anything will do." Banana, however, didn't seem apt, and chocolate surely not. Marzari likes his TBA with Roquefort cheese.

Like the antique dealer who dreams of a perfect Boulle, Marzari has his private bubbles: "Commercially, I would like to find 10 cases of Petrus '82. In fact I know where to find them but the person doesn't want to let them go. Personally, I dream of a '45, '47, or '48 Yquem." He has a '67 because it is the year of his daughter's birth and he recently tasted an older friend's birthday bottle of Chatean d'Yquem, a 1919.

In the realm of golden oldies, there was that very golden glass of 1811 cognac which, after some solemn sniffing, Marzari said could now be tasted. And was. Not a trace of banana or chocolate, just sheer bliss. And, the level of the bottle having been reduced by just a jot, Marzari is a centimeter closer to going on his hunt for the plumber with the 1743 Tokay.

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PEOPLE

THE British artist **Tai-Shan Schierenberg** has unveiled a portrait of **Queen Elizabeth II** and **Prince Philip**, which was commissioned by Reader's Digest to mark the couple's 50th wedding anniversary on Nov. 20. Schierenberg, an expressionist known for his vigorous use of paint, said he tried to portray the couple as they really are. "There is a solidity" in the queen's expression, he said, "but there is also a wit showing through, I feel." The 35-year-old artist said the portrait was also "about the relationship of the queen and duke as a couple." The duke, 76, who usually walks a couple of paces behind his wife at public events, in the portrait sits slightly behind the queen and to her left.

Agence France-Presse

Schierenberg's portrait of Elizabeth and Philip.

□

Al Pacino dipped his hands and feet in wet cement at Mann's Chinese Theatre in Los Angeles, and joked about his gangster characters. "I had a thought that some of the roles I've played might have predestined me to be in cement," he said. "But this is a different kind of day, so I thank you." Pacino was accompanied by his father, **Sal**, and **Keanu Reeves**, with whom he had just attended the opening of their new film, "The Devil's Advocate."

□

The "Peanuts" cartoonist, **Charles M. Schulz**, a World War II combat veteran, donated $1 million to help build the National D-Day Memorial in Bedford, Virginia, to commemorate the Allied invasion of Normandy, France, on June 6, 1944. He called it the most significant day for mankind in modern history. "It is an event we should make sure we never forget," Schulz said. Bedford was chosen as the memorial site because it suffered such heavy casualties on D-Day. Of the 35 soldiers from the town, 19 died during the first 14 minutes of the invasion and two more died later that day.

□

It was a close vote, but city officials in Gallup, New Mexico, have agreed to accept a sculpture depicting the guitar of the late **Jerry Garcia**. There had been protests over the artwork by citizens who said the **Grateful Dead** rocker glorified the '60s drug culture, but the City Council voted, 3 to 2, to accept the sculpture, "Rosebud," which was offered for a city park by the Jerry Garcia Memorial Foundation.

□

Sade won a four-month stay on her reckless driving trial in Jamaica after a policeman failed to show up in court. Police officials said they had forgotten that the officer had been granted vacation time, and the trial was pushed back to Feb. 3. Sade is charged with leading police on a high-speed chase in the west coast resort of Montego Bay, and then letting loose a hail of expletives when police finally caught up.

□

First **Elton John**, and now **Van Morrison**. The reclusive Irish singer-songwriter apparently has had a change of heart and is seeking a publisher for his autobiography at the Frankfurt Book Fair. Morrison, the 52-year-old son of a Belfast shipyard worker, has rarely granted interviews and once said, "An artist does not belong to the public but to himself." John announced this week that he was writing his memoirs.

□

The former Chancellor of the Exchequer **Kenneth Clarke** offered the British public a sample of his record collection when he took to the airwaves as disk jockey in a two-hour BBC jazz program broadcast across the East Midlands. Clarke, who has recorded a second show, said: "Jazz radio makes a very welcome change from political radio — it's the only type of music I take seriously.

□

Stephen Fry, the star of the new film about **Oscar Wilde**, showed how much he loves his latest role by revealing a pair of boxer shorts covered with the playwright's greatest quotes. Fry undid his trousers at the London premiere of "Wilde" to show off the underwear, inscribed with quotes such as: "We are all in the gutter but some of us are looking at the stars." "Wilde" covers 15 years of the playwright's troubled life, moving through his marriage and his scandalous affair with **Lord Alfred Douglas**. "It's very important that people see a different side to Oscar Wilde," Fry said. "He was a gentle, compassionate, humane man rather than just an acerbic wit or brittle, camp queen, which is what people often perceive him as."

□

The "Tipper," a creamy-white Star of Bethlehem lily, has been unveiled at the National Arboretum in Washington. South Africa's Agricultural Research Council named the hybrid blossom for **Tipper Gore** to thank her husband, **Vice President Al Gore**, for his focus on the environment. This is something of a coup for a vice president's wife, although flowers are routinely named for first ladies: the orange-red **Nancy Reagan**, for instance, and the magenta-and-white **Hillary Rodham Clinton** tulip.

Portrait Called a Rembrandt

Reuters

AMSTERDAM — Art historians said on Friday they had discovered a previously unknown self-portrait by the 17th-century Dutch master Rembrandt in a private collection.

Details of the find will be revealed on Nov. 4 in the book "Rembrandt — The Painter at Work" Ernst van de Wetering. To coincide with publication, the painting will go on display for one week in Amsterdam's Rijksmuseum.

"It's true — the Rembrandt Research Project has discovered a new self-portrait by Rembrandt," said a spokeswoman for the book's publisher, Amsterdam University Press.

She did not know the current whereabouts of the painting, believed to date from 1632 and portray a 26-year-old Rembrandt as a well-to-do gentleman.

Van de Wetering, a member of the Rembrandt Research Project and respected art historian, was not available for comment.

Rembrandt van Rijn, born in Leiden in 1606, died in poverty in 1669. He is buried in an unmarked grave in an Amsterdam church.

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